



Daily Report

Latin America

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14 August 1991

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Cuba

Constitutional Reforms To Be Considered

PA130815 491 Madrid EFE in Spanish 1937 GMT
12 Aug 91

[Text] Havana, 12 Aug (EFE)—Juan Escalona, president of the National Assembly of the People's Government (parliament), stated on 12 August in Havana that all articles of the Cuban Constitution are open to discussion "except Article 5, which establishes the control of the Communist Party over society and the state."

Escalona, who held a meeting with the press at the headquarters of the Cuban Journalists Union [UPEC], rejected any possibility of a multiparty system ever being formed in Cuba.

One of the constitutional modification possibilities cited by Mr. Escalona as an example is the one dealing with the Office of President of the Republic, such as the one which functioned during the first years of the Castro revolution when Fidel Castro held the position of prime minister and the Presidency was held by other politicians.

Mr. Escalona pointed out the possibility of the state renouncing its atheistic character in favor of a more simple lay constitution.

According to Mr. Escalona, other possible constitutional modifications include allowing private initiative to provide "some type of services" to the population and the continuation of the mixed enterprise program between the state and foreign capital.

In reference to when such reforms could take place, Mr. Escalona pointed out that the discussions should conclude sometime before the forthcoming Fourth Congress of the PCC [Cuban Communist Party], which is scheduled to take place on 10 October so the decisions adopted during the congress can subsequently be ratified in December during the Parliament's regular session.

More on Reforms

FL1308193291 Havana Radio Progreso Network
in Spanish 1625 GMT 13 Aug 91

[Text] National Assembly President Juan Escalona mentioned the possibility that the Cuban constitution may be modified as a result of the opinions expressed during the discussion of the basic document for the fourth party congress. Escalona said this matter is being studied and added that modifications will be made in the electoral law. He emphasized: Those changes do not imply a move towards a multiparty system nor a denial of the leadership role of the Communist Party, since the hostility, aggressions, and embargo imposed by the United States were what caused us to band together in a single organization.

De La Cruz Meets With Soviet Delegation

FL1308181291 Havana Cuba Vision Network
in Spanish 1700 GMT 13 Aug 91

[Text] A delegation from the USSR Procuracy has arrived in Cuba today. The delegation is headed by Procurator General Dr. Nikolay Trubin. They were met at Jose Marti International Airport by Cuban Attorney General Ramon de la Cruz Ochoa, Vice Attorney General Omar Cardenas, Military Attorney General Colonel Felipe Aleman, and other officials from the Office of the Attorney General. In a brief talk with the press, Dr. Nikolay Trubin explained the purpose of his visit to Cuba.

[Begin Trubin recording in Russian with simultaneous translation into Spanish] I have come here with the objective of extending the relations between the USSR Procuracy and the Cuban Office of the Attorney General. [end recording]

During their stay in Cuba, the Soviet delegation will visit scientific research centers and meet with various officials, including the justice minister, the president of the Supreme Court, and the president of the National Assembly of the People's Government. Lastly, it is expected that a (?cooperation agreement will be signed) between the USSR Procuracy and the Cuban Office of the Attorney General.

Dominican Republic

Two Dismissed, Cabinet Changes Announced

FL1308194391 Santo Domingo Radio-Television
Dominicana Radio Network in Spanish 1600 GMT
13 Aug 91

[Text] A climate of expectation reigns in public administration sectors with the announcement of further changes in the upper ranks of the government. The secretaries of state, directors general, and autonomous state institutes are waiting for further presidential decrees in the next few hours giving new appointments.

Last night the head of state dismissed Public Health Secretary Dr. Manuel Bello and Dr. Ramon Perez Martinez Macoris, administrator of the Dominican Electricity Corporation.

Official announcements about the appointment of new officials have been made by the head of state himself. Dr. Joaquin Balaguer has stated that there will be changes in the cabinet of ministers. The most widespread reports in Santo Domingo mention changes in half a dozen state secretariats and general directorates. Likewise, numerous provincial governors' posts have been mentioned.

Former President Blanco Suffers Heart Attack*PA1308155891 Madrid EFE in Spanish 2238 GMT 12 Aug 91*

[Text] Santo Domingo, 12 Aug (EFE)—Former President Salvador Jorge Blanco of the Dominican Republic (1982-86), who has been in a Santo Domingo prison since 8 August, suffered a heart attack today.

The heart problem, whose symptoms are cold perspiration and dryness of the mouth, appeared early this morning, according to medical sources at the Armed Forces Central Hospital to which the penitentiary medical service belongs.

The General Prison Directorate allowed Escipion Oliveira, Jorge Blanco's personal doctor, to enter and care for his patient when he arrived there early this morning.

According to medical authorities, Jorge Blanco's condition began to improve after medical treatment.

This is the second time in the last few weeks that the former Dominican president has suffered heart problems. On the morning of 19 June, while in the courtroom, he suffered the first attack as the trial approached its final phase.

At that time he had to be taken to a private clinic—the trial was postponed until 8 August—when the verdict was handed down.

On the same date, on being found guilty of financial irregularities against the state, Jorge Blanco was sentenced to 20 years in prison by Judge Juan Maria Severino of the Seventh Penal Court of Santo Domingo.

In addition to the jail sentence he must pay a fine of 72.6 million pesos (\$5.7 million) and return 24.3 million pesos (\$1.9 million) to the state.

It was reported that Jorge Blanco turned down an offer of "house detention," made for "humanitarian" reasons by National Police Chief Major General Ramon Alcides Rodriguez Arias on behalf of President Joaquin Balaguer.

The former president expects his lawyers will win his release on bail, which was requested on 9 August.

*** May National Revenues Total 825 Million Pesos***91CA0196A Santo Domingo EL CARIBE in Spanish 16 Jul 91 pp 1, 4*

[Excerpts] Yesterday the National Budget Office announced that the national revenues for May of this year amounted to 825,001,418 pesos. Meanwhile, revenues from external funds for investment spending totaled 28,930,236 pesos, and investment without external funds, 457,722,989.49 pesos.

The data are included in a report outlining the state's revenues and expenditures for this May. [passage omitted]

"During the aforementioned period, national revenues amounted to 825,001,418.00 pesos; whereas income from external funds for investment spending reached 28,930,326.00 pesos, and investment without external funds was approximately 457,722,989.49 pesos.

"The agricultural-livestock, irrigation, and energy sectors benefited from the sum of 151,871,316.10 pesos. In particular, the National Institute of Water Resources (INDRHI) received a total of 81,459,546.01 pesos for the construction and supervision of the Jigüey-Aguacate dams and the Sabaneta project, and also for channel construction, and repair and maintenance of other dams.

"The Dominican Electricity Corporation (CDE) received appropriations of 30 million pesos to cover various commitments, and for the Energy System Rehabilitation and Distribution project.

"Similarly, the Dominican Agrarian Institute (IAD) obtained 9,434,939.00 pesos for the execution of various projects and the financing of several agricultural programs. Meanwhile, the Special Fund for Agricultural-Livestock Development (FEDA) was given 1,198,826.20 pesos to intensify programs for support to agricultural production and for other relevant purposes. The Cruz de Manzanillo project received 2,148,490.00 pesos for planting various farm crops; and the State Secretariat of Agriculture obtained 25 million pesos to promote and increase agricultural production.

"The National Institute of Drinking Water and Sewage was given the sum of 19 million pesos for the execution of various projects.

"The Central Bank of the Republic was allocated 30 million pesos for payment on the public debt. To contribute to the demonetization program aimed at strengthening our currency, the Dominican Government headed by Dr. Joaquin Balaguer earmarked the sum of 105 million pesos from the April 1991 revenues. The Santo Domingo Waterworks and Sewage Corporation benefited from 38.9 million pesos for the construction of the Valdesia-Santo Domingo waterworks and other projects.

"Finally, the State Secretariat of Public Works and Communications received appropriations totaling 109,470,581.60 pesos; the Office of State Projects Supervisory Engineers obtained 30,319,030.17 pesos; and the State Projects Coordination and Inspection Office was allotted 7 million pesos to execute projects and programs of social and economic benefit throughout the entire republic. These include projects for housing, airports, ports, free trade zones, waterworks, sewage, sanitation, highways, and local roads; as well as maintenance of streets and historical monuments."

*** Electricity Shortage Hurts Commerce, Industry**

*** Twenty-Hour Blackout**

91CA0197A Santo Domingo EL NACIONAL
in Spanish 14 Jul 91 p 6

[Article by Oscar Pena]

[Text] The supply of electricity continued to be at a critical level on 13 July. The majority of residents of Santo Domingo barely received between three and six hours of electrical service, despite the fact that demand has been reduced considerably during the weekends by the closure of factories and stores.

The reduction in service is causing damage in homes to meat products, milk, cheese, and various food products which need refrigeration for preservation.

The blackouts for more than 20 hours in many neighborhoods are due to the fact that the Dominican Electricity Corporation (CDE) has several of its principal electricity plants out of service, including the Itabo II and Haina IV generators, while other plants are generating electricity below their capacity level.

The prolonged electricity cuts are becoming more annoying since they are occurring at a time when the heat is suffocating, which prevents many people from sleeping at night.

In many neighborhoods of Santo Domingo people are seen sleeping on roofs and on porches and balconies of their homes as a way of substituting for the coolness that fans and air conditioners would normally provide.

In areas such as La Isabelita, Los Mameyes, Los Coquitos, Los Farallones, Lucerna, the new development of La Fe, the area around the ninth kilometer stone of the highway to Sanchez, in Los Prados, San Geronimo, and Los Praditos, residents only have between three and four hours of electricity per day.

On 13 July San Geronimo, Los Prados, and Los Praditos had the good fortune to have six hours of electricity during the daylight hours.

Many residents of those three neighborhoods expressed the belief that the blackouts for more than 20 hours were deliberately ordered to harm the position of City Councilman Rafael Corporan de los Santos, due to the fact that Radio Popular, his radio station, is located in Los Prados.

According to those residents, Ramon Perez Martinez (Macoris), the director of the CDE, has had personal differences with Rafael Corporan de los Santos, which have been extended to the communications media.

Furthermore, although the residents of Santo Domingo have practically been deprived of electricity, the rates continue to increase, and the CDE is continuing with cutoffs of service to customers who are behind in paying their electricity bills.

On 13 July a CDE service truck was seen cutting off service to homes and shops in Ciudad Nueva, one of the areas which has suffered the most from blackouts.

*** Industry Nearing Collapse**

91CA0197B Santo Domingo EL CARIBE in Spanish
17 Jul 91 pp 1, 4

[Text] The fear that the industrial sector is at the point of collapse over the near term, because of shortages in the domestic electricity service, was expressed on 16 July by the Association of Iron and Steel Companies (AEIH) in a newspaper interview.

Dr. Antonio Isa Conde, the president of the AEIH, stated that the government has an obligation to assume responsibility "forcefully and energetically" for the problem of electricity generation.

In his office in Santo Domingo he said: "Without electricity there will be no industrial or any other kind of production."

Dr. Isa Conde also said that no one has any idea of how great the economic losses are as a result of the lack of electricity in the country.

He stated that despite the fact that a program of blackouts is in effect for the industrial and managerial sectors of the iron and steel industry, the situation is so serious that it has reached the point that simple palliatives are not enough.

Dr. Isa Conde considered that the problem is not only economic but also social. He said that operations are not proceeding normally during the work day in factories and industrial establishments. Workers come to their jobs angry and in a nervous state, since they spent the night without sleep, due to the heat and the lack of electricity.

Dr. Isa Conde believed that the psychological effects are worse than the economic losses, since the texture of society tends to break up when people cannot get a glass of cold water to drink when they want one.

The service provided by the Dominican Electricity Company (CDE) has deteriorated to such an extent in the last few weeks that in some urban areas the blackouts last for about 20 hours.

In the view of Dr. Isa Conde we cannot continue adopting palliatives for the crisis. He urged the government to establish a priority for its public investment expenditures to resolve the problem caused by the inadequate production of electricity by the CDE.

Haiti

Prime Minister, Deputies Trapped by Violent Mob

FL1408013791 Port-au-Prince Radio Metropole
in French 2200 GMT 13 Aug 91

[Excerpt] It was a tense day in Port-au-Prince on the occasion of Prime Minister Rene Preval's command appearance before Parliament. There was a violent demonstration in front of the Legislative Palace. Two parliamentarians were attacked. The premises of two organizations were ransacked by young partisans of the government. According to Deputy Josue LaFrance, these demonstrations against the parliamentarians are sponsored and financed by the minister of internal affairs. The parliamentary session ended in a stalemate. No vote was adopted. Deputies and senators are still inside the Parliament.

It was a chaotic day for the young Haitian democracy. The events marking this day provide clear evidence of several difficult steps awaiting the Haitian democratic process. The most skeptical would judge by today's events that Haiti is not ready for democracy. Consider the events which mark 13 August 1991: There was a demonstration in front of Parliament consisting of more than 1,000 youngsters from popular organizations who support Prime Minister Preval. There were demonstrations with helmet [as heard] throughout the streets of Port-au-Prince. The premises of the Autonomous Central of Haitian Workers [CATH] and the documents belonging to the union led by Jean-Auguste Mesyeux were set on fire. The lavalas crowd won out over the Operation Storm Wind group. The premises of the Confederation of Democratic Unity (KID) on rue Champ de Mars was also ransacked. KID is led by Port-au-Prince Mayor Evans Paul. These two organizations, as well as other political parties, had severely condemned the attack the past few days against the parliamentarians and had criticized the policy of the Preval government.

The parliamentarians, avoiding visibility today as much as possible, were nonetheless the target of the demonstrators. Two of them were attacked: Josue LaFrance, member of the Haitian Christian Democratic Party, was severely mauled: his suit was torn; he was barely rescued by policemen. Senator Art Austin was not only attacked verbally, but was stoned by some of the demonstrators, who remain in front of the Legislative Palace.

Police played their part. Posted around Parliament, they limited the damage and defused the worst tests of the democratic experience. Lafontaine says that it is not enough to see; it is also necessary to come out. At this time, the deputies who had summoned the prime minister are still inside the Legislative Palace despite the sudden decision made by the president of the Deputy Chamber, Ernst Pedro Caseus, to adjourn the session prematurely. The deputies, as well as the prime minister, are still inside. The situation outside Parliament is not safe for them. [passage omitted]

Supporters Appear

FL1308221091 Port-au-Prince Radio Metropole
in French 1600 GMT 13 Aug 91

[Text] An impressive crowd of government partisans has been gathered since early this morning in front of the Legislative Palace to demonstrate their support for Prime Minister Preval. The prime minister had been summoned by Parliament to present explanations today of his first six months in office. While awaiting the arrival of the prime minister, the crowd continued to grow, communicating hostile slogans toward the deputies and senators. The demonstrators are calling for the closing of the Legislative Palace. The atmosphere is charged, the commotion indescribable. Tires for the burning-collar torture [pere lebrun] are in evidence among the crowd. The demonstrators hope to thwart a threatened parliamentary vote of no-confidence against the Preval government. Security is conspicuous; antiriot policemen are trying to control the excesses of the crowd.

At 1615 GMT Prime Minister Preval arrived at the Legislative Palace to answer the parliamentarians' questions. Following is a live report by correspondent Rotchil.

[Rotchil] The head of government, Rene Preval, just arrived at the Legislative Palace. A carnival atmosphere prevails as an extraordinary crowd of thousands applauds Rene Preval's arrival. The crowd, gathered since this morning, express renewed trust in the head of the government chosen by President Jean-Bertrand Aristide.

There are now about 4,000 people in front of the Legislative Palace. In a few minutes, Prime Minister Rene Preval will begin to answer questions at the deputies' invitation. In the overheated carnival atmosphere, one sees ropes for tying up the deputies; tires; and posters. One hears derogatory words directed against the senators and deputies.

Police are on the scene, but this did not prevent a small group of demonstrators from attacking a deputy from the northwest. His suit was torn by the crowd. Threatening slogans are being chanted by the crowd against the deputies. Most of the protesters believe the Chamber should be closed. Some threaten to burn the Chamber and eliminate the parliamentarians if they vote for Preval's dismissal.

Senator Guy Beauduy severely criticizes the government which, according to him, has sponsored this demonstration and encouraged the pressure on the parliamentarians. For Sen. Beauduy, Preval no longer holds his seat as prime minister, following the blotches that occurred today in the Parliament of the Republic.

Police ask nonauthorized personnel to avoid the neighborhood of the Legislative Palace. Only journalists and employees of the Chamber and the Ministry of Internal Affairs are permitted to remain. Protest, insults, tension

prevail outside the Legislative Palace while the crowd waits for the prime minister to speak and be questioned by Parliament.

We do not know yet what will happen, but it is certain that democracy and the balance of the three governmental powers are being put to the test here at the Legislative Palace. Outside the palace the atmosphere is about the same. We also have a report from Marcus.

[Marcus] People are carrying branches of trees, tires for necklacing. The prime minister just entered the building. This is the first time that the prime minister has been officially escorted. The crowd is chanting slogans against the parliamentarians in favor of the prime minister. We are waiting now for the debates. The police are clearly outnumbered, but calm has been restored as everyone waits for the debates.

El Salvador

Government, FMLN Talks Break Down 13 Aug

Talks Called 'Positive'

PA1308142591 San Salvador Radio Cadena YSKL
in Spanish 1200 GMT 12 Aug 91

[Text] Representatives of Salvadoran political parties have termed as positive the meeting in Mexico City with the Farabundo Marti National Liberation Front [FMLN] rebels aimed at stepping up the peace process. Ciro Cruz, representative of the National Conciliation Party [PCN], said that the meeting was positive in so far as the FMLN and the political parties had the opportunity to express their concerns, their positions, and their good intentions. Cruz added that the FMLN had given an encouraging response to the peace process, which attempts to end the 11-year civil war that has cost at least 75,000 fatalities in El Salvador.

The FMLN said that there are only a few points left on the peace talks agenda, such as the cease fire, which depends on a number of solutions they demanded being implemented by the Legislative Assembly, Cruz added. During the talks, the sides discussed the kidnapping of civilians in El Salvador and the ratification of the Constitutional reforms as a means to expedite the peace process, according to sources close to the meeting.

Mario Aguinada Carranza, National Democratic Union [UDN] leader, said the political parties told the FMLN of their concern that the kidnappings of civilians may be resumed. The FMLN stated it would take into consideration the political parties' position on the recent kidnappings in El Salvador. The political parties reiterated their support for the constitutional reforms agreed on during previous conversations between the FMLN and the [word indistinct], chaired by Alfredo Cristiani.

Cruz added that although there is growing disappointment in a wide sector of the Salvadoran community with regard to the peace process, the community will understand that meetings such as these will lead to progress.

Seven of the eight Salvadoran political parties participated in the meeting. The ruling party Nationalist Republican Alliance [Arena] was absent as a sign of protest against the kidnapping of two of its members, Gregorio Zelaya and Guillermo Sol Bang. Besides Aguinada and Cruz, Ruben Zamora from Democratic Convergence, [name indistinct] from the Christian Democratic Party, [name indistinct] Barrientos from National Revolutionary Movement attended the meeting. From the FMLN political-diplomatic commission Nidia Diaz, Miguel Saenz, and Jose Mario Lopez attended.

The FMLN and Cristiani's government representatives will meet on 12 August in Mexico City. It will be the fourth dialogue between the political forces.

Negotiations 'Postponed'

PA1308145291 San Salvador Radio Cadena YSKL
in Spanish 1200 GMT 13 Aug 91

[Excerpt] Mexico City—The fourth round of peace talks scheduled to begin on 12 August between representatives of the Salvadoran Government and the Farabundo Marti National Liberation Front [FMLN] has been postponed, it was reported by guerrilla sources who did not specify the reasons.

Salvadoran Government and FMLN representatives were scheduled to meet for one week, starting 12 August, in Mexico City or in Queretaro to continue the peace process.

No agreement was reached on the date, the source said. He added: We cannot say that the dialogue was interrupted, only that no agreement has been reached on the renewal date. [passage omitted]

Talks Suspended; UN Involved

PA1308145591 Mexico City Red Nacional 13
Imevision Television in Spanish 1300 GMT 13 Aug 91

[Text] The Salvadoran Government and guerrillas will no longer hold peace talks. Instead, they will meet separately with UN Mediator Alvaro de Soto. This was announced in El Salvador by Christian Democratic leader Roberto Vieira, who said that bilateral talks will be resumed only when there is a consensus among the members of the two sides to hold them.

Vieira made his statement in the Salvadoran capital on returning from a meeting held by all the opposition parties of his country with representatives of the Farabundo Marti National Liberation Front [FMLN] last weekend in Mexico City. Mexico was the venue for the meeting of two groups, from Guatemala and El Salvador, that are trying to hold a dialogue to seek peace.

It would seem that the Salvadoran peace talks continue to be complex, apparently close to reaching peace and then suddenly not. The matter of the Salvadoran Army continues to be the main topic of discussion from the FMLN viewpoint.

It would seem that things are flowing more smoothly for Guatemala.

ONUSAL Meets With Rebels on Human Rights

PA1308234291 San Salvador LA PRENSA GRAFICA
in Spanish 13 Aug 91 p 2

[Text] During the first official meeting that a high-level mission of the UN Observers for El Salvador [ONUSAL] has held with the Farabundo Marti National Liberation Front [FMLN], the ONUSAL representatives set the human rights conditions under which the mission will operate in El Salvador. The conditions also deal with the kidnapping issue.

The UN mission met Sunday in Mexico with an FMLN delegation. The mission told the FMLN how the United Nations is going to verify compliance with the agreement on human rights signed by the government and the FMLN last year in San Jose, Costa Rica.

This information was given to LA PRENSA GRAFICA by the head of the ONUSAL mission, Iqbal Riza. Mr. Riza made these statements upon his arrival in San Salvador yesterday from Mexico. He was accompanied by Philippe Texer, director of the UN Human Rights Division; Colonel Ignacio Balvin, in charge of official matters; Ricardo Vigil, a political and legal adviser; and Denisse Cok.

At the meeting with ONUSAL the FMLN was represented by Ana Guadalupe Martinez, Salvador Guerra, Nidia Diaz, and Carmen Letona. Of these four, only the first two participated directly in the negotiations. Diaz and Letona are members of the Diplomatic Committee of the FMLN.

Mr. Riza said that the FMLN's attitude was one of "full cooperation, just like the government." He commented on FMLN respect for human rights saying: "We believe that the two sides will do all they can to promote respect for human rights." The FMLN, like the government, Riza added, is aware of the fact that the San Jose Agreement is already in effect in El Salvador.

Mr. Riza said categorically that the kidnapping issue had been discussed with the FMLN as one of the issues on the agenda. In general terms, Riza characterized the first ONUSAL official meeting with the FMLN as very positive.

FMLN Proposes Modifications to Caracas Agenda

*PA1308171291 San Salvador Canal Doce Television
in Spanish 0300 GMT 13 Aug 91*

[Report by Marco Antonio Guevara]

[Text] The Farabundo Marti National Liberation Front [FMLN] has proposed modifications to the Caracas agenda so that the simultaneous implementation of a cease-fire and other agreements guarantee an everlasting peace in El Salvador, it was revealed today by political parties' representatives who met with the FMLN last week in Mexico City. The political representatives added that they consider the rebel proposal viable.

The FMLN has proposed modifications to the negotiations agenda so that both the cease-fire agreements and their ratification be carried out in a single ceremony, it was reported 12 August by deputies who attended the Mexico City meeting.

[Begin recording, first unidentified speaker] You must remember that there was going to be a cease-fire agreement, and several agreements would be negotiated after

the cease-fire. Now the FMLN wants everything negotiated and approved at the same time, instead of having three different historical processes. [end recording]

According to the politicians' versions, the new situation could delay the cease-fire even more—but it is viable because it would strengthen the peace process, which apparently has reached a stalemate once more.

[Begin recording] [Second unidentified speaker] They also had specific proposals on the Armed Forces issue and the agrarian problem. They believe that the land problem should be solved before signing a cease-fire agreement because this is an essential issue, and it is one of the reasons why the armed conflict started.

[Third unidentified speaker] We should implement agreements while enforcing a cease-fire, once the political negotiations end. Right? We do not have to wait for a cease-fire to do this. Thus, the cease-fire becomes a transition from war to peace; and it allows actions that the government has rejected so far. We specifically refer to the FMLN's participation in politics, as a political party that is being organized. Why? Because this would be preceded by an irreversible cease-fire. Another example is the negotiation that we believe should be held before the cease-fire, to establish the framework for an economic and social agenda between the FMLN and the government—and all the political groups of El Salvador. [end recording]

Gregorio Zelaya's kidnapping was another issue discussed by the FMLN and the political party representatives. The FMLN explained that Zelaya was captured, but he has been allowed to contact his relatives and the [name indistinct], and his release is being negotiated.

[Begin recording, fourth unidentified speaker] We are not talking about a kidnapping [words indistinct] captured. It seems that Zelaya is a man who has many ties with them, basically due to geographical reasons—he has land in zones where the guerrilla groups operate. He apparently collaborated with the guerrilla groups and they reached an agreement between themselves. Thus, they say that he has been captured, rather than kidnapped. [end recording]

The first reports on the issues discussed with the FMLN in Mexico City coincide with the fact that the political negotiation currently faces a difficult phase, even though the issues on the agenda have virtually been exhausted.

The political parties' representatives also believe that a much more decisive role by the UN Secretary General, before he is replaced, could result in short-term agreements.

FMLN Claims Responsibility for Bomb Explosions

*PA1308134491 San Salvador Radio Cadena YSKL
in Spanish 1210 GMT 13 Aug 91*

[Text] At least five bombs exploded last night in San Salvador. There were no casualties but the explosions

caused considerable damage, an official source reported. An Army spokesman said that one of the devices exploded at the Metropolis Housing project, northwest of San Salvador, causing damage to two houses. Another bomb was detonated by unidentified persons at the Alfredo Espino residential area, south of San Salvador.

A bus covering Route 6, between San Salvador and Canton Mariona, north of the capital, was partially destroyed by the explosion of another device, which was left by FMLN [Farabundo Martí National Liberation Front] urban militias. Two propaganda bombs were also activated in other sections of the capital, according to rebel reports.

FMLN urban militias have claimed responsibility for three of the five bombs that exploded last night in the capital. A telephone call was made to Radio Cadena YSKL and a person who identified himself as an FMLN member said that urban commandos placed a bomb in a bus on Route 6. He also claimed responsibility for the explosion of two other devices. The alleged guerrilla fighter said: We will give a military reply to all of the Army's repressive actions.

Two more bombs exploded at different housing projects in San Salvador, causing damage in two houses—but no casualties. According to the FMLN, the bombs were activated because of the cowardice and ineptitude of the Armed Forces and ARENA [Nationalist Republican Alliance], which have been unable to defeat the guerrilla army.

FMLN Threatens Financial, Construction Sectors

*PA1408012091 Panama City: ACAN in Spanish
2207 GMT 13 Aug 91*

[Text] San Salvador, 13 Aug (ACAN-EFE)—The Salvadoran guerrillas announced today, Tuesday, that they intend to begin actions to "punish" the country's financial and construction sectors in response to the eviction of poor people.

"We have decided to punish certain financial and construction blocs to make them pay" for the evictions in the country, the Farabundo Martí National Liberation Front (FMLN) said in a communique.

Last night guerrillas blew up three "model" homes that belonged to two construction firms and a bank's office in San Salvador.

"From this moment on, the FMLN takes the stand in favor of the need to a dignified home for the majority of the people," the Salvadoran guerrillas' note says.

About 800 Salvadoran families were evicted on 9 August from a poor neighborhood in the City of Soyapango, outside San Salvador. The FMLN communique added that at the end of the 1970's, two thirds of the Salvadorans lived in hovels, camps, crowded shacks, old houses, and shanty towns. This situation has remained practically unchanged.

"On top of the serious housing situation the Salvadoran people are suffering from, the oligarchic-military governments—including the current one—have cheated the people and lowered their standard of living by finding flimsy solutions, and worse still, solutions that are outside the context of a long-term overall development.

Rebel Radio on Seven Months of Battle Activity

*PA1308234191 (Clandestine) Radio Venceremos
in Spanish to El Salvador 0000 GMT 11 Aug 91*

[Text] In the past seven months we have inflicted 4,684 casualties on the Army. These casualties include 50 officers, among whom were four captains and 10 Air Force officers, including pilots. There were also 105 noncommissioned officers. In the same period, we took 110 prisoners of war.

Sabotage of electrical towers and transformers involved 828 such structures; 13 electrical substations; and the country's main hydroelectric dams, namely Cerron Grande, 5 November, 15 September, and the Jalacatal plant. Sabotage actions against the economy include damage to coffee mills—one of which is in Santa Ana—the San Francisco and Suchitoto mills, and the Alanje mill in Apopa.

In the first seven months of this year, the Air Force was the target of our anti-aircraft units. We counted 21 damaged aircraft, 11 of which were destroyed. The destroyed aircraft were six helicopters, three A-37 airplanes, and two push-and-pull light airplanes. The damaged aircraft were an AC-47, two A-37 airplanes, and seven helicopters, which makes a total of 21 damaged or destroyed aircraft.

Among surface military vehicles, we report having destroyed or damaged 20 vehicles: five armored personnel carriers, three other armored vehicles, and 12 military trucks.

Weapons and ammunition captured from the anti-democratic Armed Forces in seven months include 269 rifles of various types, 20 M-60 machine guns, 13 LAW rocket launchers, 14 M-69 grenade launchers, six 90-mm cannons, 10 handguns, over 35,000 shells, 26 RC-67 two-way radios, and other war materiel.

In January, urban units attacked the Air Force at Ilopango and Comalapa, where six airplanes were destroyed.

In February, there were guerrilla attacks against Military Detachment No. 4 of the 3d Brigade, and attacks by urban commands on the General Staff and the CIIFA [Armed Forces Engineers Training Center], where a large number of enemy casualties were reported.

In March there was an annihilation operation against the Sumpul Battalion of Military Detachment No. 1 at the Cerron Grande dam, where there were 106 casualties. Over 10 maneuvers were also carried out in March.

In April, attacks were staged against eight Army garrisons. Especially noteworthy were the attacks on the 1st Brigade, Military Detachment No. 4, Military Detachment No. 1, the National Navy, the Atonal Battalion, the National Police, and the Civil Defense in Quezaltepeque.

In May regional maneuvers were carried out at the three main hydroelectric dams: 5 November, Cerron Grande, and 15 September.

In June an attack was staged at the prison in Mariona, where political prisoners were released and a large number of casualties were inflicted on the anti-democratic Armed Forces.

In July there was the nationwide maneuver, "If the Armed Forces Wants Our Weapons, Let Them Win the War." Prominent actions during this operation were: the attack at Nueva Concepcion, Chalatenango, where we inflicted over 124 casualties; the attack on the 5th Brigade in San Vicente; the attack on 1st Brigade troops in Guazapa; and the annihilation of a company in the area of Villa El Triunfo.

Battle Reports for Week of 7-10 Aug

PA1308164991

[Editorial Report] San Salvador Canal Doce Television in Spanish at 0300 GMT on 8 August reports that "this morning a national guard died in this capital's Guatemala neighborhood when urban commandos of the Farabundo Marti National Liberation Front (FMLN) strafed a police post from a moving vehicle."

The announcer notes that it has been officially reported that "as a result of Army-guerrilla clashes in the past three days, 50 persons have died." On Monday, the announcer reports, 17 soldiers, including a sergeant, died in the Villa El Triunfo Municipality, Usulután. According to the official report, 31 guerrillas also died in the fighting, and nine soldiers were captured by the FMLN.

"Last night," the report adds, "a national guard died in Sesori" while resisting an attack; and in Chalatenango Department a Bracamonte Battalion soldier died as a result of a clash in San Jose Las Flores.

San Salvador Canal Doce Television in Spanish at 0300 GMT on 9 August reports that "in recent hours, six guerrillas and one soldier died as a result of clashes in the Departments of San Miguel, Cabanas, and Cuscatlan, in the towns of San Jorge, Cinquera, and Suchitoto, respectively, according to an Armed Forces report." The report adds that a former policeman "was murdered yesterday by FMLN elements" and that a civilian was strafed and wounded last night when he failed to heed a call to halt by guerrillas near Saragoza.

(Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 0000 GMT on 8 August reports that the FMLN has inflicted "30 dead, 27 wounded, and 14 prisoners" on the Ponce Battalion of the 3d Infantry

Battalion in the framework of the FMLN's Capitan Genovelio Maneuver. The National Army for Democracy, END, carried out this maneuver on 3 August, in San Antonio, Villa El Triunfo Municipality, Usulután Department. The Ponce Battalion casualties include one lieutenant and seven noncommissioned officers. The FMLN seized 22 M-16 rifles, five M-60 machine guns, one 90-mm canon, one 60-mm mortar, two grenade launchers, and other war materiel, the report notes.

The report adds that on 8 August FMLN forces clashed with Battalion Trueno troops in San Francisco, Cabanas Department. The soldiers suffered two casualties. In Jucuapa, Usulután Department, the END inflicted two casualties on Lempa Battalion soldiers. In San Jose Las Flores, Chalatenango Department, on 5 August, Bracamonte Battalion troops clashed among themselves and as a result one soldier died and six others were wounded, the report notes.

(Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 0000 GMT on 9 August reports that "on 7 and 8 August the Atiacatl Battalion suffered 12 casualties in Suchitoto Municipality, Cuscatlan." The announcer reports that on 8 August, END forces attacked 6th Brigade troops in Nueva Esparta, La Union Department, and three soldiers were wounded. The report adds that on 6 August, END units inflicted two wounded on the 2d Infantry Brigade in Nueva Concepcion, Chalatenango Department. Another report from Chalatenango reports that on 5 August jittery 4th Brigade patrols clashed among themselves in Rio Chiquito and three soldiers were wounded. On 7 August, END units clashed with Lempa battalion troops in Chinameca Municipality and the soldiers suffered two casualties, according to the report. On 7 August, the END inflicted five casualties on Military Detachment No. 5 in Tejutepeque, Cabanas Department, the announcer reports. On 8 August, END units inflicted one more casualty on soldiers at San Francisco village.

In San Jose Guayabal, the report notes, one 1st Infantry soldier was wounded in El Salitre Canton, Cuscatlan, by a mine.

Paris AFP in Spanish at 0307 GMT on 10 August indicates that it has been officially reported that on 9 August Salvadoran guerrillas attacked the Guajoyo Hydroelectric Plant, 100 km west of San Salvador, and caused much property damage and lengthy blackouts. On 8 August, the report adds, two soldiers died as a result of a clash in the northern regions of Usulután and San Miguel Departments. According to a Press Committee of the Armed Forces report, one guerrilla died and five others were wounded as a result of clashes in the Departments of Cabanas and Chalatenango.

(Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 0000 GMT on 10 August reports that on 8 August the END delivered nine prisoners of war to the Red Cross. The nine had been captured in the Villa El

Triunfo, Usulután, combat. Five soldiers had been released earlier because they were wounded, the announcer notes.

On 9 August, at 0100, END forces sabotaged six electricity poles on the road from Guajoyo to Santa Ana. On 8 August, Bracamonte Battalion troops suffered six casualties in El Mojon and one more casualty, a sergeant, in Los Tumbinas, Chalatenango Department. In Guazapa, the report adds, the END forces inflicted three casualties on the 1st Infantry Brigade. On 8 August, END forces clashed with Atonal Battalion units in Jucuapa Municipality, Usulután, and the soldiers suffered three casualties. In Morazan, on 8 August, in La Estancia Canton, Cacaopera, the Morazan Battalion suffered one casualty.

(Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 10 August reports that on 9 August airborne troops fell in a mine field on San Antonio Hill and suffered three casualties.

San Salvador Canal Doce Television in Spanish at 0300 GMT on 10 August reports that on 8 August four guerrillas and three soldiers died as a result of clashes in Chalatenango, San Miguel, Usulután, and Cabanas Departments.

* Reformed Agricultural Sector Efficiency Viewed

91CA0194A San Salvador EL SALVADOR PROCESO in Spanish 19 Jul 91 pp 8-11

[EL SALVADOR PROCESO is published by the Center for Documentation and Information of the Central American University (UCA). Article entitled "The Inefficiency of the Reformed Sector: A Taboo That Is Being Destroyed"]

[Text] In connection with the recent resurgence of agrarian problems, it is interesting to analyze the role that agrarian reform plays in the dynamics of the farm sector, specifically its contribution in terms of production and crop yields. Such an analysis could give some indication of the role of agrarian reform as a measure aimed at revamping the structure of the distribution of wealth and income. In addition, the current state of production in the reformed sector makes it necessary to think of designing strategies for dealing with agrarian problems. The most recent manifestations of these problems are the de facto occupations of private farm holdings.

Previously, we had already noted the persistence of problems in the dynamics of the reformed sector, the most significant ones being the reduction of the amount of land farmed by production cooperatives, their small share in the generation of the gross production value (VBP) of the agriculture-livestock sector, financing problems associated with inefficient financial intermediaries, etc. According to official statistics, this trend has remained constant. Thus, it can be noted that between the harvests of 1987/88 and 1988/89, when there was no significant change in the reformed sector, there was an increase of 6.3 percent in the amount of land farmed by individuals. This did not imply, however, a significant reduction in the amount of land farmed by production cooperatives, so the increase in the individual area can only be attributed to the reduction of areas that are uncultivated, devoted to forests and pasturage. In fact, these areas did undergo a significant decrease. The small share in the agriculture-livestock VBP could be explained by the size of holdings involved in the agrarian reform process rather than problems associated with low yields; as we shall see, the reformed sector has not proven inefficient in relative terms in the production of all crop categories.

Table 1—Area and Production of Traditional Export Crops and Basic Grains Obtained by Agrarian Reform Stage 1 Cooperatives and Those Obtained Nationwide

Category	Reformed Sector		Nationwide		Percent (1)
	Area	Production	Area	Production	
Basic Grains					
Corn	21,020	1,457,149	281,678	12,956,200	7.5
Rice	3,232	275,979	13,776	1,245,900	23.5
Beans	6,793	66,364	67,203	1,240,000	10.1
Millet	3,781	90,160	121,818	3,332,700	3.1
Export products	35,607	—	213,216	—	16.7

(1) Percentage of reformed sector area in relation to national level.

Source: Compiled on the basis of data from PERA [expansion not given] IX Evaluation of Agrarian Reform Process.

Table 2—Crop Yield Indices of Agrarian Reform Stage 1 Cooperatives

Product	84/85	86/87	87/88	88/89
Basic Grains				
Corn	100	91	101	95
Rice	100	94	91	108
Beans	100	109	47	90
Millet	100	180	97	72
Export products				
Coffee	100	81	77	51
Sugarcane	100	112	99	103
Cotton	100	96	95	88

Source: PERA. VII Evaluation of Agrarian Reform Process. PERA. Fifth Census of Agrarian Reform Stage 1 Cooperatives.

Taken from: PERA. IX Evaluation of Agrarian Reform Process. 1990.

Production of Reformed Sector

We will examine the production of the reformed sector on the basis of the production generated in the area that was included in the first stage of agrarian reform and that was covered by the census, which accounts for 70.5 percent of the total agrarian reform area.

Of total national production of basic grains, only 10.06 percent was contributed by the reformed sector, while of the traditional export products, 12.7 percent of total coffee production, 37.8 percent of total cubic tons of sugarcane, and 37.6 percent of total cotton production was contributed by the reformed sector. This situation may, however, be attributed more to the smaller size of holdings where the agrarian reform process is taking place than to any inherent inefficiency of the reformed sector. The data compiled in Table 1 show that of all the

land planted in basic grains, only 7.2 percent was subject to the agrarian reform process, while just 16.7 percent of all land planted in traditional export crops belonged to agricultural cooperatives in the agrarian reform program.

The reformed sector's relatively small share of national production could also be rooted in the sector's low yields, but in light of the available data, it appears that the relatively small size of the holdings affected by agrarian reform is a greater factor in the reformed sector's poor production showing in relation to the national total than are methods of production that result in low yields. In fact, not only has the reformed sector not shown lower yields than the private agricultural sector, but in several cases, it has even exceeded those yields, which is reflected in the latest evaluation of the agrarian reform process.

Table 3—Yields of Basic Grains and Traditional Export Products Obtained by Agrarian Reform Stage 1 Cooperatives and Those Obtained Nationwide (1988/89)
(quintals/hectare)

Product	Reformed Sector	Nationwide
Basic Grains		
Corn	69.3	46.0
Rice	85.4	90.4
Beans	9.8	18.5
Millet	23.8	27.4
Traditional Export Products		
Coffee	12.9	11.6
Sugarcane	86.9	72.4
Cotton	45.1	48.9

Source: DGEA [expansion not given]; Yearbook of Agriculture-Livestock Statistics. Central Reserve Bank (BCR): National Accounts Section. PERA. Fifth Census of Agrarian Reform Stage 1 Cooperatives.

Taken from: PERA. IX Evaluation of Agrarian Reform Process.

Yields of Reformed Sector in Last 4 Years

The pattern of yields in the reformed agricultural sector

between the 84/85 harvest and the 88/89 harvest suggests that no major changes have taken place. Table 2 shows the yields of the reformed sector expressed in indices,

and with the exception of millet, most of the crops have been harvested with nearly constant yields, in the best of cases. In the case of coffee, yields have clearly declined.

All in all, the yields of the reformed sector are not very different from average yields prevailing in the farm sector. Yields are actually higher for coffee and sugarcane, which play an important role in exports (see Table 3). The reformed sector is also more efficient in the

cultivation of corn. With respect to the policy of promoting exports, this situation indicates that the experience in the reformed sector can make important contributions to increasing exportable production through the more efficient use of resources. Moreover, neither of the two forms of production, cooperative and individual, has proven to be conclusively superior in terms of yields. According to PERA statistics, the collective sector obtains better yields in the cultivation of beans and millet, while the individual sector obtains better yields in the production of corn and rice.

Table 4—Yields of Reformed Sector Obtained by Beneficiaries of Agrarian Reform Stage 1

	Collective	Individual
Corn	62.7	72.1
Rice	84.3	90.8
Beans	17	9
Millet	31.8	15.9

Source: PERA. VIII Evaluation of Agrarian Reform Process. 1989. PERA. Fifth Census of Agrarian Reform Stage 1 Cooperatives. 1989.

Taken from: PERA. IX Evaluation of Agrarian Reform Process.

Conclusions

It is evident that the agrarian reform process, as it has been functioning, has not met the objectives of redistributing wealth and income in an equitable manner. The reasons for this are not clear. It is difficult to determine whether—and to what extent—it is due to the deficient performance of the cooperatives or to the failure to make the agrarian reform process as thorough as necessary.

The most recent signs reflect the poor performance of agrarian reform in terms of management and production. In this regard we can cite the reduction of the area where agrarian reform is being carried out (PROCESO 473), the reformed sector's limited contribution to national farm production, the dynamics of its yield levels—which, while not satisfactory, have made the reformed sector more efficient in the cultivation of some products—the reduction of the amount of land being farmed cooperatively, etc.

As stated previously, it would appear that the reformed sector's low level of participation in the generation of the agricultural VBP is attributable not so much to inefficient farming of land as to the relative lack of land to farm. We have already seen how the yields of cooperatives in the first stage of agrarian reform are in some cases higher than the national average. This suggests that the experience of agrarian reform cannot be ignored. On the contrary, a serious and impartial study should be conducted to establish what are the determining factors in the dynamics of the reformed agricultural sector and to seek appropriate solutions to the problem.

The available empirical evidence shows that the economic agents involved in the production of the reformed sector are not as inefficient as those interested in discrediting agrarian reform would have us believe. *Contra*

facta, argumenta non valent; in fact, the individual form of production has not proven to be superior to the cooperative form.

If to the above we add the increasing problem of land seizures, at a time when the government claims to have brought rural employment to unprecedented levels, it becomes imperative that we consider the possibility of expanding the agrarian reform process to increase the number of beneficiaries and extending the area covered by the process. This does not necessarily imply a loss of efficiency, because as we have seen, the yields of the reformed sector may in some cases be higher than those at the national level, and therefore may make a greater contribution than the private sector to increasing farm production. Furthermore, this sector may also help improve the living conditions of the peasant majority, which has been kept in a permanent state of poverty by the system of concentrated land ownership.

Guatemala

Authorities Find 26 Bodies in Clandestine Graves

PA1208150991 Mexico City NOTIMEX in Spanish
2110 GMT 11 Aug 91

[Text] Guatemala City, 11 Aug (NOTIMEX)—The remains of 26 bodies—that might have been buried at least 10 years ago—were found in clandestine cemeteries at the Paquiatic and Chontala hamlets in the northern Quiché Department.

According to the relatives of missing persons in that region, there could be at least 100 bodies buried in those graves.

Forensic doctors as well as Argentine and Guatemalan anthropologists began the disinterment two weeks ago

based on accusations lodged by the National Coordinating Board of Guatemalan Widows [Coordinadora Nacional de Viudas de Guatemala] (CONVIGUA) and the Mutual Support Group (GAM).

Both organizations, based on the relatives' reports, indicated that the majority of the bodies belonged to peasants, who allegedly were murdered and buried by members of the Civilian Self-Defense Patrols (PAC).

The organizations noted that the incidents occurred during the governments of Generals Romeo Lucas Garcia (1978-82) and Efraín Ríos Montt (1982-83).

According to local Justice of the Peace Rafael Gonon, until now five bodies have been identified of the 26 found, among them a minor. It is believed that more minors may be found.

According to Deputy Human Rights Prosecutor Fernando Cesar Alvarez Guadamo, the persons identified are: Tomas Velazquez Perez, 33; Lucas Gonzalez Tol, 68; Tomas Perez Castro, 58; Tomas Perez Ordóñez, 45, and Tomas Velazquez Perez, 33.

At the site the forensic doctors are being escorted by security force members because Quiché is considered an area of major conflict.

The aforementioned organizations stated that PAC members oppose the disinterment, but it was not suspended as the order was issued by a qualified judge.

Several townspeople from the Chontala and Paquiach hamlets reported that they are being intimidated by PAC members who have warned them that they will regret it if they continue with the excavations.

* Human Rights: 599 Violations in 6 Months

91CA0195A Guatemala City PRENSA LIBRE
in Spanish 14 Jul 91 p 14

[Text] A communique from the Office of Human Rights of the Office of the Archbishop of Guatemala has stated: "The 599 violations of human rights during the first six months in office of the present government, compared with the 613 violations during the final six months of the previous government, reflect a reduction of barely 2.29 percent, which is not in accordance with what was stated in the inaugural speech of the president now in office. Much less does it represent a positive advance in respect for the life, liberty, and dignity of the Guatemalan people."

The report adds that "The Center for Human Rights Investigation, Study, and Promotion (Cieprodh) was the source of the information for the second half of 1990, and the Office of Human Rights of the Office of the Archbishop of Guatemala was the source for the first half of 1991."

The statistical picture presented by both organizations showed that in 1990 a total of 393 extralegal executions

took place. There were 76 disappearances involving the use of force, 77 attacks, 49 cases of threats and intimidation, 18 cases of torture, and no cases of murder, for a total of 613 cases.

Meanwhile, during the first six months of 1991, 301 extrajudicial executions took place. There were 99 disappearances involving the use of force, 37 attacks, 49 cases of threats and intimidation, 18 cases of torture, and 82 murders, for a total of 599 cases in general.

The report added: "Regarding extrajudicial executions, we have taken into account all of those executions carried out by unknown persons or in which the victim's body appears to bear signs of torture, was shot in the back of the head, or where the person disappeared when subjected to acts of force and was then executed."

The report emphasized: "In the statistics for the second half of 1990 there was an average of two to three extrajudicial executions per day over a period of 184 days, raising the total to 393 such executions. During the first six months of 1991 there were 181 days, with an average of one to two extrajudicial executions per day, raising the total to 301."

The report continued: "Disappearances involving the use of force were considered to have taken place in all of those cases in which persons were taken away by armed men or when they left their homes and did not return, without any good reason."

The report added: "Regarding those cases, statistics for the second half of 1990 showed 76 disappearances, of which 49 were carried out by armed men, while 27 other people left their homes and did not return. This indicates that one person disappeared every two days."

The report stated: "In the statistics for the first half of 1991 there were 99 disappearances, 60 of which were carried out by men with firearms, while 39 other people left their homes and did not return, for an average similar to that in the paragraph above."

The report continued: "Attacks, like those carried out against buildings, automobiles, or directly against persons, in the majority of cases involved the use of firearms, machetes, daggers, and other weapons. During the second half of 1990 there were 77 attacks, whereas in the first half of 1991 there were 37 attacks."

The report stated: "Threats and intimidations were directed for the most part against groups associated with people's movements, among which threats against trade union members through the use of telephone calls or personal letters from anonymous sources stood out."

The report added: "There were 49 cases of threats and intimidations and 18 cases of torture during the second half of 1990, while during the first half of 1991 there were 38 cases of threats and intimidations and two cases of torture. Regarding cases of murders, none was reported during the second half of 1990. However, during the first half of 1991, 82 cases were reported."

The report continued: "Taking into account the previous statistics, we may note that more than six months have gone by since Jorge Serrano Elias took over the presidency. Despite the fact that his speeches, as a candidate, and later, as president, have been loaded with many promises regarding human rights and security for the citizens, the continuing, abusive acts by the authorities and extrajudicial executions display a constant theme very similar to that during the last six months of the Christian Democratic government."

The report stated: "The Guatemalan people have waited patiently for six months for the government, as the representative of the state responsible for their security and equality, to make some change in its policy. It is also six months since the Guatemalan people voted against those who violated their human rights, a government which could not control common crime, political violence...and political murders."

The report indicated: "At this point it is difficult to give the government in office the benefit of the doubt, and still less in view of the constant manifestations of demonstrated intolerance and the casual answers which are provided to questions and indications of concern displayed by the international community and foreign personalities. The government forgets that the international community not only has the right but also the moral duty to demand that a government representing a state strictly respect the dignity of those whom it governs."

Finally, the report "calls on the government to carry out what was stated in its speeches about respect for human rights, to be tolerant of the demonstrations of concern shown by the international community, Guatemalan human rights organizations, and the Office of the Archbishop."

Honduras

President Callejas Addresses Human Rights Issue

PA1408011691 San Pedro Sula *TIEMPO* in Spanish
10 Aug 91 p 2

[Text] Tegucigalpa—President Rafael Leonardo Callejas said yesterday that he has received no report on missing people or else he would have published it for the Honduran people.

Callejas said his administration has taken "very positive steps" as far as respect for human rights is concerned, but he believes that "that complex situations sometimes arise that unjustifiably attract nationwide attention."

"We have seen how two cases that unfortunately attracted the country's attention were depicted as human rights violations: the rape of student Riccy Martinez and the killing of a citizen [Marco Tulio Lopez Hernandez] by a civilian in San Pedro Sula. They are isolated cases," he added.

The president said he does not have the report on human rights violations that was prepared by a commission

during Roberto Suazo Cordova's Administration, but—given the charges issued by the Codeh [Honduran Human Rights Defense Committee]—the attorney general "is investigating to find out who has it. We do not have it and the Armed Forces do not have it. Someone must have it, and that someone must speak up and present it."

Callejas said his government and the Honduran people want to learn about the report. He said he will publish it if it is delivered to him. He added: The report was presented by former Armed Forces Commander General Walter Lopez Reyes to former President Suazo Cordova, "and it apparently got lost thereafter."

The president stressed that he supports the attorney general's efforts to locate the report. "It is important to know, one, if there is a report; and, two, what the report says. Once we have the report, we will see what actions must be carried out, based on the information included in the report."

Defense Minister on Murder Case, Human Rights

PA1408011891 Tegucigalpa *LA TRIBUNA* in Spanish
8 Aug 91 p 11

[Text] Colonel Alvaro Romero Salgado, minister of national defense and public security, yesterday discussed the jurisdiction problem between the Military Court and Criminal Court. He said the conflict will be solved once a commission appointed by the National Congress to interpret Articles 90 and 91 of the Constitution of the Republic presents its analysis.

He added that "speculation surrounding the murder of Riccy Mabel Martinez Sevilla, a student at a teacher's school, has nearly determined that two officers were responsible, but the trial is currently in its summary proceeding phase. At this point we need to determine which court has jurisdiction over this case."

Romero Salgado said he does not believe that the involvement of two officers in this case is a campaign to discredit the Armed Forces "because, as we know, not all members of the labor sector, the media, and other organizations are saints. Things like this can always happen, but they are isolated cases."

The officer said that a reduction in the size of the U.S. Army will obviously lead to a reduction of military aid for poor countries and this in turn will lead to a reduction in education programs within the Armed Forces. "This will have a major effect because most of the U.S. aid was used for educational purposes," Romero Salgado added. He noted that the Armed Forces will not be reorganized but there will be a cut in programs because of the reduction in U.S. military aid.

When asked about criticism of the Armed Forces regarding an offer to buy the Honduran Cement Industries (Inchsa) for 10.6 million lempiras, the colonel said that it was not the Armed Forces but the Military Welfare Institute (IPM) that

made the offer. He explained that the IPM is an institution that manages the funds of civilians, aides, and active and retired members of the Armed Forces "and thus, the offer it made is legal."

The defense minister said that the sole presence of a soldier in the streets inspires the citizen's respect.

He added that many immigrants come to Honduras from neighboring countries; this coupled by unemployment, and other factors that increase crime "prompt the Armed Forces to do what is required to help the police on the streets."

As for frequent reports on human rights violations, Romero Salgado came out in defense of the current government, saying that the president of the republic is a Christian citizen and has never made a decision that goes against human rights. The defense minister added that the president has always urged them to establish institutions where the citizens can demand respect for their rights. "However, some reports are pure speculation," he lamented.

As for the loss of the report on missing people, he said: "About that report, I only know what the attorney general has revealed."

Hernandez Meets With Colombian Foreign Minister

PA0908193791 Tegucigalpa EL HERALDO
in Spanish 7 Aug 91 p 43

[Text] On 6 August Acting President Jacobo Hernandez Cruz met with Luis Fernando Jaramillo, Colombian vice president and foreign minister. During their meeting, however, they did not discuss the controversial Serranilla Keys Treaty signed by both governments in August 1986.

According to Acting President Hernandez Cruz, "We spoke about commercial relations," because the issue of exempting the import of Honduran products to Colombia is being discussed within the framework of Latin American integration.

Among those products mentioned, he alluded to coffee and bananas, but more specifically bananas, because the objective is to obtain preferential treatment for Central American exports to the European Economic Community.

Mr. Hernandez Cruz also disclosed that they had discussed the possibility of signing a treaty to prevent drug trafficking.

With respect to the controversial topic of the Serranilla Keys, which both countries claim ownership, Acting President Hernandez Cruz stated that "this issue was not discussed," and pointed out that the approval of the agreement is still pending.

Mr. Hernandez Cruz also said that above all, "the sovereignty of Honduras would be protected."

The controversy arose in view of the fact that the Colombian Constituent Assembly has created a new department that includes the Serranilla Keys within its jurisdiction.

The governments of both countries, under the administration of Jose Azcona Hoyos in Honduras and Belisario Bethancourt in Colombia, signed a treaty whereby they proceeded to specify their Atlantic maritime border. At the same time, they established their respective fishing area and agreed to support each other in matters related to hydrocarbon exploration.

Neither the Colombian nor the Honduran Congress has ratified this instrument, therefore, it has not yet been implemented. The legislation of both countries clearly state that treaties signed by any president must be ratified by congressmen.

Honduran and Colombian political sources are opposed to ratifying the treaty since both sides argue that the negotiation terms will affect their respective country.

Supreme Court President Rejects Charges

PA1308204091 Panama City ACAN in Spanish
1430 GMT 12 Aug 91

[Text] Tegucigalpa, 12 Aug (ACAN-EFE)—Oswaldo Ramos Soto, president of the Supreme Court of Justice of Honduras, today rejected charges of corruption and "politicking" filed against him by a Legislative Assembly commission that has investigated his conduct.

The Legislative Assembly will disclose the official report this week. According to preliminary reports, serious charges are made against Ramos Soto, and it is recommended that he resign.

The Supreme Court president is accused of using judicial branch funds to promote himself as presidential candidate within the ruling National Party.

Ramos Soto claims he is a victim of a slander campaign fostered by his political enemies, including Congress President Rodolfo Irias Navas.

"The whole problem started when several polls revealed that I was the leading candidate, with an almost absolute majority, within the National Party's rank and file," Ramos Soto noted.

Nevertheless, Ramos Soto's possible impeachment is based on Honduran law that prohibits Supreme Court magistrates from engaging in political activities in order to avoid conflict of interest in the justice system's performance.

The Legislative Assembly's report is in addition to other criticisms formulated against the judicial branch in recent weeks, which is accused of being "weak" and "susceptible" to influential sectors that commit crimes and go unpunished.

Nicaragua

Recontra Leader El Indomable Interviewed

PA1408040391 Managua Radio Catolica in Spanish
1130 GMT 12 Aug 91

["Exclusive" interview with Rebel Commander Jose Angel Moran Flores. "El Indomable," by staff reporters Osvaldo Bonilla and Carlos Maturana at a "general headquarters deep in the Jinotega Department mountains;" date not given—recorded]

[Text] [El Indomable] I want to thank these two reporters. The only thing I can say about the situation in Nicaragua today is that we have those who demand their rights, those who are nonconformists, and those who no one pays any attention to. Here in Nicaragua the bosses are the Sandinists, not Mrs. Chamorro. Those who rule here are Humberto Ortega, who has his Army intact just as Daniel left it, and Antonio Lacayo, who as a government minister is the person who wields power over the executive and legislative branches and all other branches in Nicaragua.

One of my demands is compliance with the seven points of our agreement. The other has to do with the ministers' charges against me, as if I were a criminal or a crook. These charges may be investigated by any organization such as the human rights people in Honduras, Nicaragua, Costa Rica, Guatemala, El Salvador, or anywhere else. I have not committed any crime or violated any human rights.

[Reporter] You have been blamed for the death of the San Rafael del Norte police chief, as well as the death of a watchman at the power plant just a few days ago. What do you have to say?

[El Indomable] I was not involved in either of those murders. The police chief was named Jose Luis Meza and was based in San Rafael del Norte. I had many recommendations from demobilized personnel because I was and am often in that area as my wife was from that area. Many of the demobilized personnel vouched that I was a good man and that I treated them well and helped them resolve their problems. The day the police chief was killed, I was in the area—about 2 km from where he was ambushed—at a farm that belongs to a man from Jinotega named Rene Blandon. I was there dressed in civilian clothes the day he was killed.

When I left the farm I saw eight heavily armed Sandinist soldiers go by. I saw them before they went by, so I left on the road to San Marcos. When the shooting began, I was passing Suni. It was about 1700 and I had walked no more than 2 km because it had been half an hour since I left the road where I saw the eight heavily armed EPS [Sandinist People's Army] soldiers. When I heard the shooting, I did not think it was the captain. I turned back because I wanted to meet up with some men I had brought with me from San Marcos and (Sacraqui) and tried to pass. However, when I heard the shooting, I did not pass. When I turned back,

people asked me: Were you at that clash? We replied, yes it was us, because we wanted to find out who had done it, as I knew there were no other recontras in the area. I knew very well there were no other recontras in the area. I was the only recontra in the area and was recruiting some personnel to arm them. So we said it was us because we wanted to investigate and see how they would respond. It is not until now that this matter has been clarified. We know that many demobilized personnel were arrested and to gain freedom, they said I had killed the police chief. None of those demobilized who have said this can say that they saw me or that they were with me.

[Reporter] What can you tell us about the watchman's death at the Central America power plant?

[El Indomable] That is not true because that watchman... [pauses] I have never been in the area and I am not familiar with the place. If something has happened... [pauses] Maybe it has something to do with the residents who take revenge on certain people who may have harassed them too much. There have been many executions because of this. Murders are therefore committed to avenge all the bad things these bad people have done.

[Reporter] The task force under your command did not attack the Central America power plant then?

[El Indomable] They did not. I have no men in that area.

[Reporter] We want to ask you two questions. The first is in connection with the death of your wife and her son when her house was strafed. I believe her name was Sonia Rivera?

[El Indomable] Yes.

[Reporter] The first question is whether this was the reason you took up arms. The second question is what was the purpose of the attack on Quilali?

[El Indomable] I will first answer the question about my wife. I surrendered my weapons and decided to stop fighting for good. I devoted myself to buying and selling cattle to make a living. Later I planted maize and beans and devoted myself to farming. Where I lived, I was never armed and never carried out any attack. I visited my mother 10 years after I left my home. I returned to my home 10 and a half years after leaving. I made the mistake of being overconfident, as I was confident when policemen surrounded the place where I was working. After a few minutes, on 12 December, they fired shots at my house and shot my wife. I later walked away, because I had no intention of continuing the war. However, the FSLN media continued to harass me. They accused me of being a recontra leader. When I was in Aguas Amarillas, the police were chasing me. Some suspicious people made accusations against me. Then, I was forced to take up arms again.

It is not that I like or want war. What happens is that the government fails to comply with its promises. Thus, all those who have died, like my wife.... [changes thought] If I do not take up arms again, I will die unarmed as a child. In

order to defend the rights of Nicaraguans and the very rights of us, demobilized fighters, and the people in general, I was forced to take up arms. This is the only way to be safe 24 hours a day. I would rather die as a rebel than as a slave.

I, the mayor, the government minister, and Crisanto Castillo, regional government ministry director, were planning to meet in Quilali. Then they started giving me the runaround that they wanted to meet here, in Ocotol, in Quilali. Three days before the meeting, that is 48 hours.... [changes thought] Twenty-four hours before the meeting, they told me the government minister had said that if I surrendered my weapons, we would talk. Then I took over Quilali and fought for seven hours, because I am a man who will not be pushed around. I am defending a just cause because I want justice in Nicaragua. Every time the government tries to fool me, I will launch an attack because there is an open war here. If they do not want to talk, war will return to Nicaragua. We are sitting on a barrel of gunpowder that will explode unless an honest dialogue is held. If the president fulfills the demands of the people, as well those of the demobilized fighters, there will not be war in Nicaragua.

[Reporter] I want to ask you a question. Let us not talk about the number of men or other aspects. War is difficult. Supplies are very expensive and difficult to obtain. How do you obtain ammunition and weapons? Can you wage a war against the still large army of the Nicaraguan Government?

[El Indomable] We are capable enough and have the morale to wage a war. No country of the world is supporting this war. We ask the world to help us consolidate democracy in Nicaragua. We do not need weapons and ammunition, because our own enemy—the army—has weapons. We do not need lethal military weapons from other countries, because this war has been practically initiated within Nicaragua. We do not need anything from outside, because we are inside Nicaragua where we have the social basis and support of the population. Subsequently, we have the ability to wage a war against anybody as long as no countries get involved. If President Chamorro fails to meet her promises and refuses to hold talks and bring peace to Nicaragua, we will see what we will do with our enemy in this struggle.

[Reporter] I want to address the communique issued by the Government Ministry, urging you to surrender yourself to be tried in an impartial manner. What does this mean? Are you willing to turn yourself in for an impartial trial for the crimes committed?

[El Indomable] The government minister, judge, and the Supreme Court of Justice [words indistinct] do not have the moral authority to try me, because I am not a criminal. They do not have any evidence against me. I am only a guerrilla leader who is guiding the troops, moving from one area to another. I handle my troops. I am not a civilian. The government is to blame for everything that is taking place because it has failed to bring peace to Nicaragua and meet the agreements made with the rebels. No minister or court

can try me, because I have an army and am not going to abandon my army to face slanderous charges by government ministers. These charges are not true. If I was a criminal, the people would not let me lead this war. I lead this war because I have social support, the people trust me, and they know that I am honest. I am not a Sandinist, so I am neither a criminal nor a thief.

[Reporter] I want to ask you a question. Yesterday the RN—comprising the north, south, and central fronts and ARDE [Democratic Revolutionary Alliance]—issued a communique supporting your requests and asked that they be fulfilled for the sake of Nicaraguan peace and to safeguard the lives, not only of the demobilized, but of their families and the repatriated. Have you seen this communique?

[El Indomable] Everything that communique says has been written with my knowledge and consent because my authority cannot be bypassed. Everything must succeed but everything must be done in coordination. We work together and they know that they have my consent to do all this. They do whatever is best for Nicaragua to attain peace if the government really has the authority.

[Reporter] What do you have to say about the stationwagon that recontras took from Commander Ruben this weekend?

[Indomable] This shows that the demobilized want nothing to do with Ruben or Franklyn. I want you all to know that this does not make me happy because the vehicle is presumably government property and I need nothing from the government. If they have taken the vehicle, it will be returned. I want all of you to know that the way the people hate Franklyn and Ruben is the same way the people hate Chamorro, and she will not be able to (?overcome). [olla no va a poder salir]. You know why? Because the way the people and the demobilized have gone against Franklyn and Ruben is what is happening with Chamorro. This is another lesson for the government, which needs to learn how to fulfill our peoples' demands.

Report on Castro's Death by Local Station 'False'

PA1308161691 Managua Radio Sandino in Spanish
1200 GMT 13 Aug 91

[Text] Yesterday international news agencies consulted their correspondents in Managua regarding a report issued by AFP—whose source was Radio Ya [as heard] in Managua—that Fidel Castro had died.

Fidel Castro, known worldwide, is marking his 65th birthday today. Many would like to see Castro's head roll due to the leftist leader's resistance as head of the Cuban regime. The report of his death was totally false. Castro is celebrating his birthday at the same time the Pan-American Games are being held. The report aired by the aforementioned radio station, in an attempt to acquire listeners, was labelled as scandalous.

Fidel Castro, who toppled Fulgencio Batista's government in 1959 as head of the self-styled 26 July rebel movement, has been in charge of the Cuban Revolution, together with his brother Raul, for 32 years. There is extreme veneration for Fidel in Cuba, he is always referred to as the commander in chief. This is not the first time that news of Castro's death has been announced. A few weeks ago, an anti-Castro media published that Castro had died several weeks ago and that the person who would appear at the Pan-American Games would be his double; this was totally false. Castro, at 65, is well and full of life.

The radio director, who killed Castro during his program yesterday, had been exiled in Cuba for several years and now appears to be anti-Castro.

Chamorro Expresses 'Concern' Over Property Issue

*PA1308175391 Managua Radio Sandino in Spanish
1200 GMT 13 Aug 91*

[Text] President Violeta Chamorro on 12 August expressed her concern to the UNO [National Opposition Union] deputies as to what could occur in the next few days if the ruling coalition upholds its decision to approve the draft bill aimed at expropriating houses and lands granted by the revolution.

Sources linked to the presidency leaked out information that President Chamorro had expressed her concern to the deputies that the nation would be sunk in total chaos, throwing to the wayside the government's economic program, implemented on 3 March. Hernando Zuniga and Luis Humberto Guzman, presidents of the Legislative Assembly's Justice and Economic Commissions, yesterday refused to disclose details of the conversation held with President Chamorro, noting that President Chamorro's position would not be made public until a news conference on 13 August.

Last night Social Democratic Party senators met at the party's headquarters to decide their position on the thorny property issue that has shaken over 1 million Nicaraguans who benefited by the revolution with housing, property, and rural lands.

Panama

Commercial Delegates Wounded in El Salvador

*PA1308140091 Panama City EL SIGLO in Spanish
12 Aug 91 p 2*

[Article by Oscar Eduardo Lasso]

[Text] A high-ranking official of the Commerce and Industries Ministry has told EL SIGLO that two members of a Panamanian commercial delegation in El Salvador were victims of an armed attack. The attack was carried out by the Farabundo Marti National Liberation Front (FMLN) guerrilla movement.

The two victims in this attack, Supreme Court Magistrate Fabian Echever's wife and another unidentified official, were seriously wounded. They were attacked when they tried to take advantage of a break in the meetings to go out to visit San Salvador.

FMLN and M-20 [20 December Movement]

At the time of the attack, the Panamanian delegation was participating in a commercial meeting of the Central American countries to analyze the region's integration. Because of its nature, the attack seems to be tied to a national movement known as the M-20.

Were Treated and Taken Out of the Country

According to the source, the two officials of the Commerce and Industries Ministry were attacked by alleged guerrillas with weapons of different calibers. They were then taken for treatment by Salvadoran health authorities.

After giving them first aid, the Salvadoran authorities decided to immediately send them home to our country to avoid an international scandal caused by that country's guerrilla movement.

Did They Follow Guidelines From the M-20?

Expert sources have stated that the ties between the Salvadoran rebels and the M-20 are something common among subversive organizations, which maintain this kind of unity to allow them to carry out their activities beyond their borders.

Information gathered by this reporter states that the Foreign Ministry has ignored this regrettable incident and, up to now, has not demanded the corresponding explanations through diplomatic channels. The lack of action by the Panamanian Government could be due to the fact that, since this country suffers a war between the government and the rebels, the two officials should not have gone out without the necessary protection. Therefore, the two ladies committed an imprudent act.

Over 100,000 Dead

The FMLN has had armed clashes with the Salvadoran Army for 11 years. These clashes have caused over 100,000 deaths.

This armed group issued a public protest a few days before the Central American Presidential Summit and warned that it would make its presence felt during that meeting. They said they would carry out attacks and issue communiques, but they did not do so.

Official Acknowledges 'Guerrilla Groups'

*PA1308180491 Panama City LA PRENSA in Spanish
13 Aug 91 p 1*

[Report by Althea Foster de Chavarria]

[Text] Assistant District Attorney Carlos Herrera Moran has said there are "clear indications" that a group with the goal of taking power by force of arms is attempting to organize members of the military who were displaced

from power by the U.S. invasion of Panama in December 1989.

"The M-20 [20 December Movement] does not exist as a firmly structured organization, but there are clear indications that a group of former military personnel is being established to seek to return to power by force," the assistant district attorney said.

Herrera added that documents seized in June at the time of the arrest of Juan McKenzie, who is allegedly involved with the M-20 movement, note the need to bring about a political system similar to the one that existed before 1989, and state that the method to achieve this would be the use of force "to recapture political power."

The official said that in addition to McKenzie, there may be at least five other people involved with this group, but he declined to reveal their identities.

In addition, he said some people have reported that they visited Darien, where guerrilla training camps allegedly are located, and that they served as guides for such groups. They claim that members of the groups mentioned the names of some former high-ranking military officers who were aides to Manuel Antonio Noriega.

Herrera reiterated that there are Colombian guerrilla groups in Darien and said there is sufficient evidence to link Juan McKenzie to those groups.

Doctrinaire Panamenist Party Granted Legal Status
PA1308130191 Panama City LA PRENSA in Spanish
9 Aug 91 p 2-A

[Report by Manuel Alvarez Cedeno]

[Text] Jose Munoz, president of the Doctrinaire Panamenist Party (PPD), said on 8 August after his party was granted legal status that President Guillermo Endara "lacks the leadership" to guide the country.

"We are lacking in leadership and the government is noticeably apathetic in managing the country," said Munoz, who added that Panama as a nation requires guidance that is totally in step with the Panamanian people's interests and this has not happened.

The PPD registered 30,000 members in three months, and therefore the Electoral Tribunal granted it legal status on 8 August. The party's vice president is Thelma King and its secretary general is labor leader Julia Suira.

Asked if Endara is a worthy follower of former president Arnulfo Arias, Munoz said that Arias founded his entire policy on what he described as Panamenismo, which is a political ideal based on nationalism, but "I believe that Panamenismo has been weakened because being an Arnulfista is not the same as being a Panamenista." President Endara is a member of the Arnulfista Party.

Munoz added that Arnulfismo represents "a feeble and grotesque imitation of a great man, but Panamenismo is something else."

At present, he said, there are at least four political groups claiming to follow in the late president Arias' political footsteps.

Court Orders Judge Fired for Controversial Case
PA1308151791 Panama City EL PANAMA AMERICA
in Spanish 9 Aug 91 p 1-A

[Article by Orlando Mendieta]

[Text] The Second District Court ordered on 8 August that First Circuit Court Judge Guillermo Zuniga be fired for disciplinary reasons. Judge Zuniga committed "an inexcusable obviation in the application of the law" by granting freedom on bail to former soldiers Marcos Justine and Rafael Cedeno.

The charges against the two accused of allegedly forging public documents and associating illegally to commit a crime had been temporally dismissed. According to the court, Zuniga requested the reopening of the process against Justine and other accused persons, whereas he was only supposed to decide whether the first action was legitimate.

Besides, without making any statement regarding the reopening of the process, thus committing an inexcusable omission, Zuniga ordered the merging of the investigation for forging public documents and associating illegally to commit a crime with the embezzlement case (which was filed at the Ninth Circuit Court).

The district court's ruling states that such a merger was inadmissible because the First Circuit Court was not qualified to order this. Besides, even if it had been qualified, there is no connection between the two cases. Even though Justine is accused in both cases, the rest of the persons accused in the embezzlement case are not involved in the other case.

According to the legal document, the situation worsened because the lawyer of one of the accused in the embezzlement case noted the inconsistency and presented arguments which were not filed by Zuniga when he continued the process.

Based on these reasons, the Second Superior Court of Justice ordered that Zuniga be dismissed from office as first circuit judge of the First Judicial Circuit of the Province of Panama, Penal Branch.

The investigation to determine whether Zuniga had committed a breach of discipline was ordered by Carlos Lucas Lopez, magistrate president of the Supreme Court of Justice, on 27 June 1991 and was headed by Magistrate Wilfredo Saenz.

Luis Guillermo Zuniga attributed his dismissal to President Guillermo Endara's lowly favors for his associates.

Zuniga labeled the incident "embarrassing," a blow to judicial independence, and said that it happened because of his interest in broadening an investigation into the embezzlement of \$6.5 million from an Inter-American Development Bank (IDB) credit granted to rebuild the city's old sector.

Argentina

Interior Minister Installs New Under Secretaries

PY1308174491 Buenos Aires TELAM in Spanish
1452 GMT 13 Aug 91

[Text] Buenos Aires, 13 Mar (TELAM)—This morning, Interior Minister Jose Luis Manzano administered the oath of office to Juan Carlos Masson as the new interior under secretary, and to German Mario Moldes as the coordination under secretary. Manzano also confirmed Claudia Bello as under secretary for political action.

The installation ceremony, which was held at the Trophy Room of the Government House, was attended by Eduardo Bauza, secretary general of the presidency; Buenos Aires Mayor Carlos Grosso; and by other officials.

ROK Fishing Crew 'Violates Territorial Waters'

SK1408023891 Seoul YONHAP in English
0130 GMT 14 Aug 91

[Text] Buenos Aires, Aug. 13 (YONHAP)—A Panamanian-registered fishing boat with a South Korean crew aboard was towed to an Argentine port of Ingeniero on charges of violating territorial waters and illegal operations, naval authorities here said Tuesday.

Spotted by an Argentine naval vessel, the ship attempted to flee out of the scene, according to the Navy.

* Pugliese Leads Buenos Aires Gubernatorial Race

91SM0430B Buenos Aires LA PRENSA in Spanish
12 Jul 91 p 5

[Text] The Radical Party candidate for the Buenos Aires governorship, Juan Carlos Pugliese, has a clear lead among voters in Greater Buenos Aires, 30 percent of whom prefer him, according to the findings of a private poll released yesterday.

Vice President Eduardo Duhalde is favored by 21 percent, and his rival in the Justicialist primary on 28 July, Carlos Brown, by 8 percent, Cesar Mansilla and Associates report.

The opinion survey in July among 450 people in various districts of the Buenos Aires metropolitan area indicates that Alberto Albamonte is the choice of 7 percent. Santiago de Estrada and Luis Zamora get 4 percent each, Aldo Rico 3 percent, other candidates 3 percent also, while 15 percent remain undecided.

Biggest Problems

Moreover, the shortage of jobs is the problem that most concerns the residents of the greater metropolitan area, as it was mentioned by 22 percent; it is followed by crime (15 percent), education (11 percent), and health care (10 percent).

Other issues of concern are the economy (9 percent), retirees (5 percent), corruption (5 percent), low wages (4 percent), housing (3 percent), and poverty (3 percent), according to the data provided by the polling firm.

* Implications of Jaroslavsky's Defeat Assessed

91SM0430C Buenos Aires LA PRENSA in Spanish
2 Jul 91 p 7

[Report by Manuel Acuna]

[Text] Today's headline has nothing to do, of course, with an actual obituary, but it is a political obituary, because the defeat that Cesar Jaroslavsky, who is nothing more and nothing less than the president of the bloc of UCR [Radical Civic Union] national deputies, suffered the day before yesterday will have major consequences on the country's political chessboard and suggests that the UCR is returning to its traditional profile.

In point of fact, the big loser on Sunday was once again Alfonsín. Moreover, the slate on which "Chacho" Jaroslavsky was running and which was put together by Enrique "Coti" Nosiglia got far fewer votes than 40 days ago, when Fernando de la Rúa won in the primaries. De la Rúa is now in open rebellion against the Alfonsín wing of the party and, in practice, has set up an informal front with Eduardo Angeloz and Horacio Usandizaga; the three of them are looming on the horizon as the major figures in the Radical Party with a view towards the future.

Poor Turnout

In spite of what we have said and above and beyond his virtual political disappearance, Jaroslavsky's spirit could not be dampened, and strutting the new look that he acquired after he went "To bed with Moria Casan," he emphasized with a smile yesterday that the votes going to his meager third spot outnumbered those cast that same day for all of the seven slates that ran in the UCD [Democratic Center Union] primaries, which Alvaro Alsogaray won.

Obviously, this is a detail that must indeed be taken into account, especially if we notice that the turnout of UCR and Alfonsín faction voters was not that large either.

The Left's New Look

These events provide some other, very important background information. Jaroslavsky personified the Social Democratic ideology and was the finest colleague that Alfonsín had in attacking the Armed Forces and the victory over the subversive criminals and in attempting to alter the cultural, educational, and spiritual tradition of Argentina. Besides this, however, his collapse paves the way for a different, more radical internal left that goes beyond even Jesus Rodriguez, Nosiglia, and that entire group of men who were active partners in the Alfonsín fiasco. This is the faction that is headed in Buenos Aires by Federico Storani, who although he is no stranger to this fiasco, is another quasi-extremist element.

waiting for the collapse of other factions so that he can try and reach the top of the UCR apparatus and bring about another upheaval.

Of course this distances him significantly from the man who currently holds an internal majority in the province of Buenos Aires. Nonetheless, the electorate is not forgetting that the candidate for national deputy in the first spot in the Buenos Aires district, Leopoldo Moreau, was also part of the Alfonsin team, along with the also defeated Stubrin brothers and the entire Coordinating Board. All of this severely harms the chances of Juan Carlos Pugliese, who is now trying desperately to offer a moderate, conservative look, which is what people want. This is forcing him to try and relegate to oblivion his term as economy minister near the very end of the Alfonsin administration.

Autonomist National Front

And since in keeping with the finest traditions, there can be no talk of the Radical Party without mentioning its opposite, the conservatives, we shall say that the conservatives' talks with the Duhalde faction have been suspended ever since the vice president of the republic and candidate for governor of Buenos Aires decided, at least for now, that he will be accompanied by Rafael Roma, the cream of the renewal, Cafiero-faction Social Democrats, who are Alfonsin's partners.

The problem was illustrated clearly last Saturday, when the convention of the Conservative Party at the Everton Club in La Plata discussed the possibility of forming alliances or fronts for these elections.

One winning proposal was to enter into an agreement with the Independent Front, which is led by Santiago Estrada, whose staunchest defenders were mainly the conservative councilmen from Moron and Pringles, Messrs. Llorens and Dominguez, respectively. Another proposal that ultimately won out was put forward by the candidate for deputy governor, Dr. Crego from Mar del Plata, Councilman Masola from Lobos, and the representative from Merlo, Mr. Gestoso.

When the issue was put to a vote, a simple majority decided to enter into an agreement with the autonomist national senator from Corrientes, Jose Antonio Romero Feris, with a view towards ratifying prior accords that had already been signed by the negotiating commissions to organize a national conservative front or single party that would be called the National Autonomist Party. This would be done "before or after these elections."

There is a reason for this "before" or "after," given the proximity of the elections. What this means in practice, and it was so resolved, is that the district-level accords that the corresponding conservative democratic leaders may sign or may have signed will be honored.

Leader Ricardo Paz defended the idea of running "alone, without alliances." This was the subject of lengthy analysis, but the fact is that at this juncture the district-level

accords are too far along to be reversed. By the way, this issue helps to heighten the expectations about the ultimate outcome of the upcoming elections, which could become, after the event on 5 August, the starting point for something new in Argentina.

* Trade Union Issues Document Emphasizing Unity

91SM0430A Buenos Aires LA PRENSA in Spanish
12 Jul 91 p 4

[Text] At the congress held in a downtown hotel in this capital Luis Barrionuevo, Lorenzo Miguel, Saul Ubaldini, and independent union leaders constituted the national secretariat of the 62 Organizations and issued a document that urges union unity.

"We are fully convinced that only a monolithically united movement, represented by a single CCT [General Confederation of Labor], will be able to guarantee the necessary consensus that will enable us to move forward along the road of progress that the nation demands," one of the paragraphs of the document says.

"Unity, guarantee of social justice," is the name of the document issued by the congress of the 62 Organizations. In criticizing the attempt to amend labor laws, the document states: "There are those who believe that the process of transformation is predicated on stripping organized labor of its legitimate achievements."

Closed-door meetings were held throughout the day and even in the same hotel where the plenary session deliberated. They brought together the aforementioned leaders, Diego Ibanez (SUPE [United Trade Union of State Petroleum Workers]), Juan Jose Zanola (bank workers), Lesio Romero (meat), Oscar Lescano (Light and Power), Ruben Pereyra (OSN [National Sanitary Works]), and Manuel Rey (traveling salesmen), among others.

As the debate closed, Barrionuevo asserted that "we labor leaders will never again be willing to serve as scapegoats for those who manipulated us from the outside and ruined the country."

Referring to "my friend and colleague Menem," he contended that "we labor leaders have given him a blank check, but now the cutbacks by the technocrats and the requests for money to fire workers are going to stop."

Miguel and Ubaldini

The head of the UOM [Metalworkers Union], Lorenzo Miguel, emphasized that in relaunching the 62 Organizations "all of the internal groups that make up the labor movement were present, and therefore this is the first step on the road that will culminate in a single CGT."

Meanwhile, the head of the CGT-Azopardo, Saul Ubaldini, contended that "the only way to struggle to defend the rights of the workers is to reorganize the 62 and unite the labor movement."

"I have been on Peron's side since 1946," a somewhat bewildered Miguel asserted, virtually repeating the criticism that President Carlos Menem voiced of him.

"If the president said that, I will remind him that the 62 Organizations were created by General Peron," said Miguel in responding to the president's criticism that this union group "is on the other side."

UOM Would Withdraw Support From Duhalde

Miguel announced that a plenary session of secretaries general of the union, "just as it met to give Duhalde its backing, will meet again to decide whether it still backs him."

The highest leadership body of the UOM could decide to withdraw support from the nation's vice president, now that the assistant secretary, Luis Guerrero, has been kept off the slates of candidates for national deputy.

Miguel recalled that "the same Duhalde turned to the UOM to ask for our support and promised our colleague Luis Guerrero the fourth spot, I think, and now we get this surprise of his not appearing on the slates."

"In light of this move by Duhalde we are now going to call together the union's organized bodies," Miguel added, "to decide whether to reaffirm or alter this support."

Bolivia

Armed Forces Commander Announces Resignation

*PY1408012691 Madrid EFE in Spanish
2324 GMT 13 Aug 91*

[Reported by Agustin de Gracia]

[Text] La Paz, 13 Aug (EFE) — Four days after renewing half of the cabinet, Bolivian President Jaime Paz Zamora is facing a crisis in the military leadership because General Jorge Moreira, Armed Forces commander in chief, has announced his resignation.

During a news conference on 13 August, the military chief confirmed that he had asked to be relieved for reasons of "professional ethics," which, according to military sources, are linked to the naming of the new defense minister.

On 9 August, Vice Admiral Alberto Sainz Klinsky replaced Hector Ormachea, a civilian, as defense minister. Ormachea had been in the post since Paz Zamora came to power on 6 August 1989.

The change in the Defense Ministry was one of eight changes Paz Zamora made in his 17-member cabinet within the framework of the largest government renewal that he has made since he became president.

Moreover, naming Sainz was not received very well among the military leadership due to his rank, that of

vice admiral, which is lower in rank than the Armed Forces commander in chief and the Army and Air Force commanders.

"The defense minister is a subordinate rank and in this respect, due to professional ethics, and even more so out of respect for subordinate officers of the Armed Forces, I believe that my resignation is feasible," Moreira stressed today.

The military chief confirmed the leaks in the press today that the Armed Forces' leadership does not accept the naming of the new defense minister, despite the fact that some weeks ago the High Command asked that the post be filled by a military man.

Sources from the commander in chief's office told EFE that Moreira's message has three points: Respect Paz Zamora's decision; insisted on respect for the military hierarchy; and request his relief to "maintain the chain of command."

However, according to diplomatic sources, Moreira could also be irritated because he was not named the new defense minister, a post to which he aspired to, because he was about to complete the regulated two years as commander in chief.

During the news conference, Moreira stated that "at no time" had the Armed Forces expressed their "disagreement," and even less so did they express their "rejection" when Sainz Klinsky was named, and he added he accepted the decisions of President Paz Zamora, although he clarified that he did so "institutionally."

Moreira then confirmed that he had phoned the president to ask that he be relieved, insisting on "professional ethics" and the "respect for subordinate officers of the Armed Forces" due to the lower rank of the new defense minister.

The local press highlights today one of the causes of the military leadership's irritation over the naming of Sainz Klinsky was the absence of the Armed Forces High Command when the new minister was sworn in on 12 August.

Until midafternoon today it was not known who would replace the commander in chief.

On the contrary, Mario Rueda Pena, information minister and government spokesman, was flatly denying Moreira's request that he be relieved 30 minutes after the military chief had confirmed it to the press.

"It is press speculation," Rueda Pena told EFE. He also stated that the matter was not discussed during a cabinet meeting held early this morning.

On 3 October 1990, when Paz Zamora fired the Air Force and Army commanders, the changes in the military leadership were so surprising that the then-defense minister, Hector Ormachea, learned about them the afternoon before.

Sale of U.S. Mineral Reserves Protested

*PY1408031891 La Paz Television Boliviana
Network in Spanish 0200 GMT 14 Aug 91*

[Text] Bolivia has lodged an official protest with the U.S. Government over an announcement of a new sale of U.S. strategic mineral reserves. Copper, zinc, lead, and silver, among others, are among the strategic minerals. In light of this announcement, the Bolivian ambassador to the United States Jorge Crespo-Velasco has reported that this is not yet a defined plan and that the U.S. Defense Department will continue studying the possibilities of implementing this plan in 1993.

Border Committee Examines Misplacement of Markers

*PY1308205091 La Paz Television Boliviana
Network in Spanish 0200 GMT 12 Aug 91*

[Excerpts] The Bolivian-Chilean Joint Border Commission released a report today on the situation in Sillillica Region, concerning the Chilean-Bolivian border. [passage omitted]

When the fieldwork was concluded, the joint commission verified and agreed that border markers No. 48 and 49, as well as secondary, unnumbered metallic markers, were not removed, although it also was agreed that the latter ones are incorrectly located.

The following was reported by Foreign Under Secretary Marcelo Perez Monasterios:

[Begin recording] The three mentioned secondary, unnumbered metallic markers are wrongly placed and located. They are therefore in disagreement with what is established by the Peace, Friendship, and Border Treaty of 1904. Therefore, General Oscar Wilde, who is present here, in the name of the Bolivian Foreign Ministry reiterated his disagreement with the location of these three secondary markers and requested their removal.

The Chilean delegation acknowledged the incorrect location of the three secondary, unnumbered metallic markers and agreed to discuss their removal, that is, the Bolivian petition, in the special meeting of the Bolivian-Chilean Joint Border Commission which will take place next November, in keeping with the international procedure established for these cases. [end recording]

By express request from the Bolivian delegation, the Bolivian-Chilean Joint Border Commission has agreed that no exploration, prospecting, or exploitation of natural resources activities will take place in the region, as long as the international border is not defined. [passage omitted]

Chile 'Mistakenly' Claims Bolivian Territory

*PY1308171491 Madrid EFE in English 1646 GMT
13 Aug 91*

[Text] La Paz, Aug 13 [EFE]—Chile has accepted that it has mistakenly stolen a chunk of Bolivian territory, after

teams of experts from the two countries travelled to their mutual border to inspect a previously disputed area.

The Bolivian Foreign Ministry said Monday that Chile had accepted that three border posts it had set up in 1981 were actually some 25 km into Bolivian territory.

Bolivia and Chile have had an acrimonious border dispute that dates back 112 years and has led once to war and several times to fierce diplomatic rows.

The two countries have not had diplomatic relations since 1978 after attempts to resolve the dispute broke up in disagreement.

They went to war in 1879 when Chile snatched landlocked Bolivia's Pacific coastline and only port.

A commission from the two countries is due to meet up in November to try to resolve remaining claims in the dispute over the border, which is 975 km long.

Brazil

Collor Recognizes Efforts of Population, Military

*PY1408003091 Brasilia Voz do Brasil Network
in Portuguese 2200 GMT 13 Aug 91*

[Speech by President Fernando Collor at Planalto Palace in Brasilia on 13 August during ceremony awarding platinum medal to the president of the Superior Military Court, General Haroldo Erikson da Fonseca, for 50 years of service]

[Excerpt] [passage omitted] In his speech, President Collor asked Brazilians to trust in their own ability to change for the better.

[Begin recording] Pessimism and defeatism have nothing to offer. Quite the contrary, they may cause serious damage to national development. This is especially true for the attitude of the younger generations whose boldness and courage caused great historical transformations.

To believe in Brazil has always been a vital part of our character. Bright Brazilians and foreigners clearly perceive that this is a nation that will succeed. [end recording]

President Collor remembered the soldier's commitment to a community, a commitment that even could involve surrendering his own life.

[Begin recording] We are a democratic nation where the government and the soldiers are at the service of their people, exhibiting the banners of independence, liberty, human rights, social justice, environmental conservation, progress, and welfare because these are Western civilization's—all of humanity's—main causes. [end recording]

The president acknowledged the effort and limitations that the reconstruction task has demanded from the

majority of the population, including the Armed Forces. He said that the country acknowledges the military's permanent traits of self-denial, discipline, competence, and resolve to fight for Brazil.

Collor Thanks Castro for Hospitality During Games

*PY1308211691 Madrid EFE in Spanish 1427 GMT
13 Aug 91*

[Text] Brasilia, 13 Aug (EFE)—Brazilian President Fernando Collor de Mello today thanked his Cuban counterpart, Fidel Castro, for the hospitality granted to the more than 300 Brazilian athletes who took part in the 11th Pan-American Games.

In a message released at Planalto Palace today, President Collor mentioned the homage paid to the members of the Brazilian women's basketball team, which won the gold medal on 11 August, by winning 97-76 over the Cuban team.

Collor wrote to Castro: "I convey to Your Excellency my earnest thanks for the considerate treatment granted to our delegation, particularly to the women's basketball team."

"I would also ask you to extend to the enthusiastic Cuban fans the gratitude of the Brazilian people for the treatment being given to our athletes. I also take the opportunity to congratulate you and the Cuban people on the extraordinary results by Cuba in the Pan-American Games. This shows your administration's determination in stimulating the healthy habit of practicing sports," the cable adds.

Deputies Receive Death Threats From Traffickers

*PY1108031691 Rio de Janeiro Rede Globo
Television in Portuguese 2300 GMT 9 Aug 91*

[Text] The cocaine mafia has made death threats against the deputies who are investigating drug trafficking. Jose Elias Murad, chairman of the Congressional Investigative Commission on the Drug Trade, and Deputy Moroni Torgan received telephone death threats.

Deputy Raquel Candido received a letter indicating two hired gunmen were already in Brasilia to kill her. The letter is being investigated by the Federal Police.

Central Bank Creates Rules To Finance Exports

*PY1308180291 Sao Paulo O ESTADO DE SAO
PAULO in Portuguese 3 Aug 91 Economy, Business
Section p 6*

[Text] Brasilia—The Central Bank (BC) yesterday published in the official gazette a resolution that establishes basic rules and regulations to finance Brazilian exports within the Special Program to Encourage Exports (Programa Especial de Estimulo as Exportacoes) (Proex). The list of capital goods that will be financed and the

financing periods—between 18 months and 10 years—will be published on 5 August in the official gazette.

Frederico Alvares, the assistant director of the Foreign Trade Department [Departamento de Comercio Exterior] (Decex), has said that the funds earmarked for this year's program, about \$200 million, will not come from the Treasury's coffers. "This estimate is based on the repayment of the loan operations previously handled by Finex [Financing and Export Fund]," he explained. The repayment of these operations will have to be used again next year because of the restrictions imposed by the general budget. Proex will finance Brazilian exporters and balance the interest on the loans. There has been no export financing since October and Decex officials hope that within one week the first operations will be contracted.

The program will benefit capital goods (ordered equipment, machinery, ships, and airplanes) and services. Nevertheless, the list of products should be much shorter than that managed by the disbanded Finex. "We decided to be more selective because of the budget restrictions," said Mello.[not further identified]

Decex has also adopted more rigorous criteria for the release of financing. Exporters must have the backing of a first-rate bank to guarantee the repayment of the foreign exchange. Another condition involves the right of return for when importers of Brazilian products do not pay the foreign exchange obligations. In this case, the right of return means that exporters will have to repay the Bank of Brazil (BB), in cruzeiros, the equivalent of the dollars or other foreign currencies.

The BB will be the Treasury's exclusive agent and the BC will establish the basic interest rates. If the money attraction cost incurred by the bank involved in the operation is higher than the minimum rate established by the BC, Proex will cover the difference. The resolution, which was published yesterday, establishes a ceiling of 8.5 percent per annum for Group 1 (developed) countries and 8 percent per annum for other countries. These percentages fluctuate in accordance with the LIBOR, London Interbank Offered Rate. Today the LIBOR stands at about 6.5 percent and so the operation to finance exports would not require intervention.

Next week, the Exports Financing Committee [Comite de Financiamento a Exportacao], comprising exclusively government representatives, will establish restrictions on the BB, which will still have ample freedom to contract operations.

Board Denies Resumption of Angra 2 Construction

*PY1108030691 Brasilia Voz do Brasil Network
in Portuguese 2200 GMT 6 Aug 91*

[Report by Niomar de Oliveira]

[Text] The board of Furnas Electric Power Plants, Inc. has denied the contents of an article published in the 6

August issue of JORNAL DO BRASIL under the title: Furnas Ignores Court Ruling and Continues To Construct Angra 2. In a note to the press, the Furnas board asserts that the construction has been suspended and that only maintenance work is under way.

According to the Furnas communique, which was signed by the head of the Furnas Presidency Social Communication Department, the construction of Angra 2 and Angra 3 already had been practically suspended when the Rio de Janeiro Attorney General's Office embargoed the construction on 17 July 1991.

The construction had been suspended, the communique adds, for lack of funds to finance the two projects. According to Furnas, the scarce funds available were being used to pay for the maintenance and repair of the structures and equipment already installed and those stored on the site. This material must be maintained and repaired because it is public property worth billions of dollars.

If the construction were to be resumed today, or over the next few days, nearly \$3.6 billion would be necessary to finish the two plants. To finish only Angra 2, Furnas would need \$1.5 billion and the work would not be finished before the end of 1996. Angra 3's construction, however, would not be finished until 2001.

Nuclemon Improves Radioactive Storage Facility

PY1208020491 Sao Paulo FOLHA DE SAO PAULO
in Portuguese 2 Aug 91 Section 4 p 3

[Report by Irene Ruberti]

[Text] A Nuclemon [Nuclebras Monazite and Associated Elements, Ltd.] warehouse in Interlagos (southern Sao Paulo) is being renovated and will be surrounded by two fences despite the fact that the enterprise has stated that radioactive residue stored in the facility does not constitute "any radiation risk."

Nuclemon director-superintendent Luiz Fernando Teixeira de Macedo, 41, said yesterday: "It was in our plans to tidy up the facility, but we were surprised by events. Yet, the facility actually needed improvement."

On 29 July, Ministry of Labor and Social Welfare technicians visited the warehouse and found uranium and thorium, which are radioactive elements. The attorney general took legal action in the civilian courts, demanding isolation of the warehouse, which was in an open area.

Macedo said: "The facility was not properly fenced, but it was not abandoned." According to him, improvements "are being urgently made" at Nuclemon's initiative. Nuclemon industrial superintendent Jose Carlos Lucena, 50, said that the modifications, which began yesterday, should be completed in 15 days.

Yesterday, a tractor was filling and leveling the area for construction of a fence. Said Lucena: "A second isolating

fence will be built around the facility." The entrances to the facility were also being closed by bricklayers.

Nuclemon reported that the warehouse sheds hold 227 tons of residue containing ilmenite and 43 tons of caldasite containing uranium.

National Nuclear Energy Commission (CNEN) technicians visited the facility yesterday and collected soil and plant samples for analysis. At the municipal chamber, Councilman Julio Cesar Caligiuri Filho (who has no party) demanded creation of a commission for congressional investigation (CPI) to identify those who are responsible for the warehouse.

Amazon Presidents, Governors To Meet in 1992

PY1308162691 Brasilia Voz do Brasil Network
in Portuguese 2200 GMT 12 Aug 91

[Text] President Collor today at the Government House held a meeting on the World Conference on Environment and Development. The problem of the Indian people was also discussed.

Justice Minister Jarbas Passarinho later announced that the meeting of Amazon region chiefs of state and governors has been confirmed for June 1992 as a part of the Rio 92 conference. He said that the report prepared by Brazil for the Rio 92 conference is not conclusive and it will first be discussed by Brazilian society before being sent to the United Nations and debated at the world conference.

As for the problem involving the Indian people, the justice minister reported that 1,254 gold prospectors have already left the Ianomami Indian reserve voluntarily. Minister Passarinho said he believes that the Ianomami Indian land should be exploited economically for the benefit of the Indians.

Operation Launched To Save Amazon Ecology

PY1408015491 Rio de Janeiro Rede Globo
Television in Portuguese 2300 GMT 13 Aug 91

[Summary] The IBAMA [Brazilian Institute for Environmental Affairs and Renewable Natural Resources] today began a giant operation to combat the destruction of Amazon forests and rivers. The institute sent 450 inspectors in helicopters to overfly the nine Amazon states. The operation began near Cuiba, in Mato Grosso State, where IBAMA technicians discovered that 90 hectares of forest had been cleared and burned. The IBAMA fined the landowner 10 million cruzeiros.

Verolme Shipyard Negotiating Sell to Iran

PY1208141791 Rio de Janeiro O GLOBO
in Portuguese 11 Aug 91 p 2

[Text] Businessman Nelson Tanure, who has assumed control of the Verolme Shipyard, is negotiating the sale of 14 oil tankers to Iran at a price surpassing \$500

million. Tanure stresses that the sector is capable of competing abroad, so he is now trying to recover the enterprise's credibility in the international market. He intends to build 12 vessels a year, and within two years he wants to merge Verolme with the Emaq Shipyard.

Toxic PCB Chemical To Be Sent to UK

PY1108025891 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Aug 91 p 26

[Report By Ayrton Centeno]

[Summary] Porto Alegre—The State Electric Power Commission [CEEE] of Rio Grande do Sul State will send to the United Kingdom tons of toxic waste that have been stored in warehouses in Porto Alegre for at least 10 years. The toxic waste is polychlorinated biphenyl—better known as PCB. CEEE Supplies Department Director Antonio Carlos Contursi said: "We will pay 73 million cruzeiros to incinerate 41 tons of this material."

Exports of Beef to U.S. To Recommence

PY1308152891 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 13 Aug 91

[Summary] Agriculture Minister Antonio Cabrera has reported yesterday he received an official communique from the U.S. Agriculture Department in Washington with the news that Brazil will again export beef to the United States. The minister added that Brazil will immediately benefit by \$100 million, and the country is thus conquering the most demanding international market.

This is a great victory and shows the quality of Brazilian beef, he concluded.

*** Collor's Recent Uncharacteristic Behavior Seen**

91SM0433A Sao Paulo VEJA in Portuguese 17 Jul91pp 16-18

[Text] Brasilia witnessed a disconcerting spectacle last Friday. As he has been doing ever since he took office, President Fernando Collor appeared in the doorway of Planalto Palace at the end of the day for the ceremony of descending the palace ramp. After listening to the national anthem, the president walked as far as the street, accompanied by a group of guests that included businessman Andre Ranschburg, owner of Staroup Jeans, French Ambassador Jean Bernard Ouvrieu, and the 15 finalists in the Miss Federal District contest. On reaching the sidewalk, Collor crossed the street and approached a demonstration organized by his advisors, featuring two banners and a poster greeting him. "Collor, congratulations on your administration," read one of the banners. "Brazil walks hand-in-hand with Collor," added the other. The poster read: "Collor, Brazil loves you." Besides the assemblage of friends of the president, however, an opposition demonstration had been organized near the palace. It was composed of students and professors from the National University of Brasilia, on

strike for nearly a month now to demand a 300 percent increase in their salaries. Collor had already gotten into the Lincoln that would take him to the helicopter in which he would travel to Casa da Dinda, when a group of 40 demonstrators managed to break through the police lines and get close to the president. They began to boo Collor and curse him. From the back seat of the car, the president responded to the provocation in the same vein. He stuck his arm out the window and made an obscene gesture that is fairly common in the Northeast: he pointed upward with his middle finger (the "father-of-all," located between the "cake-taster" and "his neighbor").

Not since 1979, when then-President Joao Figueiredo responded with swear words and nearly got into a fight with students in Florianopolis who were cursing him, have we seen a Brazilian head of state react to a hostile demonstration in such an uncontrolled manner. At the end of June, for example, about 1,000 professors and landless workers booed the same Collor during the same ramp-descent ceremony. On that occasion Collor reacted by clenching his fists and uttering phrases typical of an election campaign, such as "Brazil!" and "Faith!" Last week's gesture resembles in content the famous "purple thing" from the rally in Juazeiro do Norte in Ceara State. Both are inappropriate coming from a president of the Republic. But there is a difference. In Ceara, Collor was assailed by slogans shouted by the CUT [United Federation of Workers] but kept his cool and gave them a taste of their own medicine in his speech. What we saw last week was an intemperate reaction. "It was a gesture that does nothing to dignify the position of a president of the Republic," said Rio de Janeiro Deputy Cesar Maia, of the PMDB [Brazilian Democratic Movement Party].

Friday's obscene gesture culminated a difficult week for the president, who has repeatedly been giving signs of impatience, irritation, and fatigue. Monday, for the first time in his 16 months in office, Collor had canceled all his morning appointments—even the 0900 meeting in which he reviews the administration's agenda for the week. The president also canceled his appointments for Wednesday afternoon, when he was returning from a trip to Presidente Prudente in the interior of Sao Paulo State. Governor Geraldo Bulhoes of Alagoas, who already had an appointment at Planalto Palace, got as far as the outer office but ended up wasting his trip. Even pleasant ceremonies that are part of a president's routine gave the impression of having become a heavy burden. On Monday, after watching a video, only five minutes long, about the National Automotive Vehicle Registration Program, Collor looked fretfully at his watch when he was told he would have to watch a second video on the same subject. Immediately thereafter, at a gathering in the Oval Office of Planalto Palace where the subject was an agreement releasing funds for the Yanomami Indians, there was trouble with the sound system. Irritated, Collor ordered that the proceedings start over again at the beginning. During the ceremony at which he announced the renegotiation of installment payments on civil service housing in Brasilia, Collor did not even try to keep

up appearances. He escaped from the ceremony before it was over to hold a conversation with Pedro Paulo Leoni, secretary of strategic affairs, and Carlos Garcia, secretary of administration. Finally, Collor used swear words on three occasions to respond to questions from his interlocutors—the kind of language he rarely uses.

To a country that has become accustomed to a dynamic Collor who radiates energy and disposition for hard work, his behavior last week seems strange. The few businessmen and politicians who see him in private have observed signs of another kind. Convinced that her husband is being subjected to a pattern of tensions that border on the unbearable, First Lady Rosane is doing what she can, at home in Casa da Dinda, to keep him from answering the telephone. Collor does not like telephones, but has always taken his calls. Nowadays he gets impatient when the other party does not go directly to the subject. Recently, the president even told a friend that he would like to take a vacation and go somewhere where he could "do whatever he feels like," to cite his own words. "So why don't you, Mr. President?" the friend asked. "I cannot leave, I have to stay here," Collor answered, implying that he was afraid a presidential vacation might transform itself into a reprise of the controversy provoked by his New Year's holiday in Angra dos Reis.

Diet and Gray Hair

There have also been significant changes in Collor's physical appearance. The gray hairs that were hardly visible during the presidential campaign now occupy a wide swath on his head. Recently the president went on a diet, and lost 8 kg in a little over a month. Returning from his trip to Spain, the president had intestinal trouble. His aides suspect this was caused by the meals served on the plane, since five other members of his delegation experienced the same discomfort. According to Dr. Luis Carlos Silveira, of the Planalto Palace medical team, "the president had a bout of diarrhea." Collor developed a high fever, caught a mild case of viral grippe, but did not treat himself effectively. The doctors recommended that he cut back on his work schedule and get more rest. Collor neither obeyed nor took all the medicine prescribed for him. He took only aspirin, and still suffers from a throat inflammation. As if this were not enough, Collor is still feeling intermittent pain as a result of a bruised tibia suffered in last year's fall while water-skiing.

His hands are colder than they used to be. The doctors say this is a symptom of stress, as are the mood swings between melancholy depression and irritation. Between appointments last Friday the president made a point of copying a verse and sending it to presidential press spokesman Claudio Humberto. The author of the verse is Joe Darion, an American, and his subject was Don Quixote, Cervantes's genial character: "To dream the impossible dream; to face the invincible foe; to right the unrightable wrong."

There is an interesting difference between the president who picked up a pen to copy a poem inspired by Don Quixote and the one who, shortly after victory in the presidential election, was compared with Steven Spielberg's Indiana Jones. The Spielberg character is the prototype of the conquering hero, while Cervantes's nobleman is beset by his imaginary battles against windmills. "The president has had a lot of disappointments in his administration and is going through a crisis that is a combination of aging, stress, and reflections on his personal life," observed one of his regular confidants and a friend of long standing. "Being president is not a novelty any more, and he no longer has the same kind of patience to put up with it all with the same kind of discipline he once had."

Most barstool psychoanalysts usually associate such behavioral changes with the occasional failures experienced by government leaders. Collor is managing a government that has many problems, that did not kill the tiger of inflation as quickly as promised, and has not been able to re-establish confidence in the future of the economy. As president, he took office with sky-high popularity ratings, but now his standing in the polls is about as low as that of his predecessor, Jose Sarney. Since he is a politician obsessed with immediate success—as well as with opinion polls—you can bet that Collor's disposition would be a lot better and he would be significantly less tired if his administration were showing unquestionable results of good performance.

The difficulty is that, if one employs different criteria, Collor's administration cannot be termed a failure. Take, for example, the big political myth that emerged last year during the gubernatorial elections. After the ballot boxes in the major Brazilian states had been opened, it was announced that Collor would face nothing but hostility from the governors elected in the Sao Paulo-Rio de Janeiro-Minas Gerais political triangle. It was proven last week that this myth, born in the summer of 1990, never made it into the winter of 1991. Minas Governor Helio Garcia made peace with Collor even before being sworn in. Leonel Brizola weighed in with a package that also contained Alceu Collares of Rio Grande do Sul and Albuino Azevedo of Espirito Santo. Last week it was Orestes Quercia's ally Luiz Antonio Fleury Filho's turn. "You have a president in Planalto Palace who would like to be considered a friend," said Collor, in Presidente Prudente. "Now is the time for an understanding," Fleury answered.

Strictly speaking, President Collor's recent odd attitudes, more than a symptom of his own judgment of his administration's performance, indicate the presence of quite a different phenomenon. Most people, including presidents of Brazil, are subject to periods of fatigue, irritation, impatience, and bad moods—nothing that a good rest cannot solve. As anyone can testify from his own experience, such disturbances are serious only when they persist for too long. In Collor's case, the risk is that after last week's obscene gesture, his opponents may decide to try to provoke him in public appearances all

over the country, thereby creating new and more unpleasant situations for his administration.

*** Initial Views Toward G-7 Amazon Project**

91SM0424A Sao Paulo GAZETA MERCANTIL
in Portuguese 16 Jul 91 pp 1, 5

[Article by Celso Pinto de Londres]

[Text] London—The Japanese government "is not prepared to make a commitment in London" on the proposal for the preservation of the Brazilian Amazon region at a cost of \$1.5 billion, a source highly placed in the Japanese delegation told the press in an interview. Shortly before that statement was made, the Germans had announced their support of the project.

"Generally speaking, we favor it (the project)," the Japanese source explained. "But there are still specific aspects and details which must be discussed," he said. He pointed out that the Japanese had only "received the study very recently." Among the "details" remaining to be resolved is a better definition of the financing sources and mechanisms.

The project was jointly planned by the World Bank, the European Economic Community, and the Brazilian government, based on the recommendation made by the leadership of the Group of Seven (G-7), the richest countries, at last year's meeting in Houston (United States). At the summit meeting in London this week, the G-7 will study the project and decide on its future. The Group of Seven is made up of the United States, Great Britain, Japan, Germany, Canada, Italy, and France.

The Germans indicated yesterday that they definitely favor approval of the project. Dieter Vogel, the spokesman for Chancellor (Prime Minister) Helmut Kohl, told the press that the G-7 should make a commitment to the pilot plan for the Amazon region. It will require financing in the amount of \$250 million in the first two-year phase, and \$1.5 billion in all, a part of which will come from the conversion of the Brazilian foreign debt.

The statement made by the Japanese, however, injected a note of caution into the matter. Not until the plenary session this afternoon, in which the chiefs of state of the G-7 and their foreign relations and finance ministers will participate, will the environmental issue be taken up, and the pilot plan for Brazil is one of the items on the agenda.

One of the goals sought by British Prime Minister John Major and supported by German Chancellor Helmut Kohl is to obtain a firm commitment from the chiefs of state in London to appear personally at the special UN meeting on the environment to be held in Rio de Janeiro in 1992, in an effort to make that meeting substantive. The Brazilian pilot program is, within this context, a possible first concrete action to preserve the tropical forests on the part of the G-7.

There is every indication that one of the difficulties blocking approval for the pilot plan at this meeting is the fact that the proposal was only put in the hands of the coordinators of the summit meeting a little more than a week before it began. A Brazilian source has heard the complaint from a highly-placed British source that because there was no time to develop political agreement on the plan, there might be problems in obtaining immediate approval for it. The Japanese reaction strengthens this possibility, despite the British and German support for the pilot plan.

The other key themes to be dealt with at the UN meeting in Rio in 1992 (ECO-92) remain to be determined. The principal subject likely to be the central theme at that meeting is an agreement on limiting emissions of carbon dioxide (CO2).

The G-7 countries continue to be divided on this issue. Great Britain will accept a limit on emissions in the year 2005 at the 1990 level. Other European countries would prefer a firmer commitment in about the year 2000. To date, the United States has not been willing to commit itself to anything.

At this London meeting, the Japanese will propose an alternative in an effort to resolve the impasse. Their proposal will provide for a "commitment and review" mechanism. Individual countries or groups of countries would commit themselves to goals as soon as an agreement is signed, and these would be reviewed periodically on the basis of studies by international experts, the Japanese source explained. The developing countries would be allowed a year in which to implement their goals, and facilities for the transfer of technology and financing to these countries would be provided.

Japan believes that this formula for commitment might resolve the current impasse without threatening the rigor of the desired goals. Our source said that the Japanese government bases its position on the principle that the basic responsibility for the control of CO2 lies with the developed countries, and it believes that if there is no "strong commitment (by these countries), it will be difficult to ask for (a commitment) from the developing countries."

The British have not spoken out in terms of specific proposals. However, since it seems obvious that it will be very difficult to reach a consensus among the G-7 on a practical formula for the ECO-92 agenda, what will probably be achieved in London will be only a commitment on the part of all the leaders to appear personally in Rio de Janeiro, and to do their best to give the so-called Earth Meeting real substance. Specific decisions, however, are likely to be postponed until later.

*** Joint Venture With Cuba for Vaccine Technology**

91SM0424B Sao Paulo GAZETA MERCANTIL
in Portuguese 19 Jul 91 p 10

[Article by Maria Helena Tachinardi]

[Text] Brasilia—The Cuban government and Fiocruz have already agreed to establish a joint-venture company with headquarters in Rio de Janeiro to effect the transfer of the technology for producing the B/C vaccine against meningococcus. This decision, which was made in December of last year during the visit paid to Cuba by the executive secretary at the Ministry of Health, Luiz Romero C. Farias, was moved forward at two meetings attended last month at the Fiocruz headquarters by the delegations representing the two countries.

In addition to the transfer of technology, the Ministry of Health will shortly import 16 million doses of vaccine against type B meningitis at a cost of \$85 million. The vaccine will be imported in separate lots, each of which will be matched by a counterpart export of Brazilian products.

Cuba is experiencing serious economic difficulties and needs to import a varied list of goods, ranging from soybeans, chicken, and chemicals to replacement parts for sugar mills and farm machinery. The vaccines are the only product on the Cuban foreign-trade list of interest to Brazil.

The private sector is interested in this joint operation, which was carried out in the past through INTERBRAS [PETROBRAS [Brazilian Petroleum Corporation] International Trade, Inc.]. The vaccine will now be purchased against cash payments. Out of the resources obtained, Cuba will pay for the products imported from Brazil, and is expected to use half of the \$85 million to settle its overdue trade debt to the Brazilian government in the amount of \$50 million.

According to the economic and scientific attache at the Cuban embassy, Cristobal Popu, "there is great willingness" on the part of his country to transfer technology to Brazil.

The joint-venture company the Fiocruz and the Cuban government are planning will constitute a mechanism serving to satisfy a long-standing desire on the part of Brazil, which has been importing vaccines from Cuba and asking for the technology for production since 1989. In that year, the total imported came to 15 million doses.

In May of last year, the National Meningitis Commission met and established the fact that the price paid for the Cuban vaccine has been very high—a total of \$10, since the unit price was \$7, to which \$3 was added in taxes and freight. The Commission further determined that the transfer of technology agreed upon in the negotiations with Cuba had not been effected.

In December of last year, Romero Farias, the executive secretary at the Ministry of Health, traveled to Cuba and obtained a promise from President Fidel Castro himself that the transfer of technology to Brazil would be reviewed.

In the middle of this year, Cuba and Brazil signed an agreement calling for the purchase of 15 million doses of

vaccine, on the basis of the following facts. This is the only vaccine available in the world which is effective against meningococcus B, although immunity is not absolute, and in addition, it has been shown that the Cuban vaccine is effective against meningococcus C, even in children under two years of age. This is not the case with the other vaccines in use against type C.

In Cuba, a major epidemic was demonstrably brought under control through the use of this vaccine with excellent vaccination strategy and broad coverage. This new shipment of vaccine will help to increase the coverage in Brazil in the areas and age groups in which the incidence of this disease is the highest.

The agreement with the Cubans also provides that Cuba will reinvest a part of the resources obtained from the sale of vaccines in the production of the vaccine against meningococcus in Brazil.

Other details of the agreement provide that Fiocruz and the Cuban government will exchange technical information about control methods and will engage in a mutual exchange of reactive agents, standard serums, and other materials needed to establish a protocol for control of the vaccine.

* Proex To Receive \$570 Million for Exports

91SM0424C Sao Paulo GAZETA MERCANTIL
in Portuguese 19 Jul 91 p 3

[Article by Vera Saavedra Durao]

[Text] Rio de Janeiro—The government is finalizing the measures adopted to regulate the Export Financing Program (Proex) with a view to promulgating a decree by the beginning of next week at the latest. The program will have resources totaling \$570 million for the financing of foreign sales this year, Dorothea Werneck, the national economic secretary, announced in Rio de Janeiro yesterday.

Of this total, \$170 million will come from the national treasury and \$400 million will come from the coffers of the National Bank for Economic and Social Development (BNDES). This newspaper has learned that the BNDES funds will be used to finance the exports of machinery and equipment included in the Finamex [Fund for Financing Machinery and Equipment Exports] program.

Postshipment Operations

This program of the Special Financing Agency (Finame), a subsidiary of the BNDES—the Finamex, will, with the Proex regulation, undertake to finance postshipment operations of capital goods, as well, that is to say those from the seller to the purchaser of the product, by refinancing documents representing exports, such as promissory notes, bank drafts, and letters of credit. The financing will be carried out through a financial agent.

Currently, the Finamex is providing credit to machinery and equipment industries producing goods for export. Applications pertaining to preshipment operations have come to \$220 million in this half of the year.

Firm demands for resources have come to a total of \$150 million, with between \$70 million and \$80 million already analyzed and approved, and between \$40 million and \$50 million already under contract. Large-scale enterprises in the capital-goods sector, such as Nardini, Villares, Bardella, Confale, and Brasimatic, have already benefited from Finamex credit.

* Military Lobby To Step Up Pressure in Aug

* Increased Spending Needs

91SM0423A Sao Paulo GAZETA MERCANTIL
in Portuguese 19 Jul 91 pp 1, 7

[Article by Jose Casada in Sao Paulo]

[Text] When the Congress reopens in August, an intensification is due to occur in the military industrial lobby's pressure for the expansion of national defense spending.

This is the expectation of various political party leaders, based on an analysis of the results of the confrontation between military ministries and the Legislative Branch.

Two weeks ago, the minister-chiefs of the armed forces raised a forceful political protest to obtain salary increases for the troops different from those given to civilian public servants. They succeeded. The bill is ready (see comment on page 7).

A few days earlier, in a previously arranged operation, Navy Minister Cesar Flores and Aeronautics Minister Socrates Monteiro were in the Congress.

They did not discuss salaries but, separately, spent hours seeking congressional support for an increase in the country's defense spending during the coming months.

The scene will be repeated in early August, with the deposition given by Army Minister Carlos Tinoco before the Chamber of Deputies' National Defense Commission.

It is paradoxical that this should be occurring at a time when the Executive and Legislative Branches of several countries in various phases of development are bent on cutting public spending on defense.

For example, Argentina and Great Britain are not only cutting their military budgets, but also selling barracks, down-sizing troops, and curtailing plans for reequipping their armed forces. Both countries have been involved in recent wars: they were in confrontation in the Falklands, and allied in the Gulf War.

To back their theory of the need for raising defense spending, the military ministries have submitted one

basic argument to the Congress: that Brazil's investments in its armed forces are smaller than those being made by its neighbors. They cite as examples the situations in Bolivia, Venezuela, Chile, Argentina, and Paraguay.

They stress that this discrepancy is long-standing: "The closure of political activity didn't benefit us much," remarked the navy minister to several deputies three weeks ago. "What it was agreed to term a military government was not a government concerned about the armed forces in this respect," commented the aeronautics minister.

Nevertheless, the data submitted by the military ministries themselves to the Congress show a different reality: the armed forces' share in the budget of the Union amounted to 23.5 percent under General Emilio Medici's government, the military regime's most authoritarian one.

The decline in the Brazilian economy after the oil "shock" and the state's virtual bankruptcy forced a gradual reduction in spending. However, it is still considerable, when compared with that for other sectors: education for example.

The latest available data compiled by the World Bank indicate that the country ended 1989 with a level of public spending on defense (4.3 percent of the total) exceeding public investments in education (4.2 percent).

The budget structure of certain ministries also shows that there is a sizable volume of federal funds being mobilized for investments in equipment for the three military branches. Obviously, some of that total has been used to pay debts for arms purchases made during recent years.

This holds true of the Navy. A total of 24.23 percent of this year's budget is being directed toward "investments," as follows: 16.59 percent to pay suppliers, 4.10 percent for new purchases, and 3.54 percent for nuclear research. Personnel expenditures take 48.34 percent of the budget, and are tending to increase with the salary hikes: generally a prompter of supplementary credits.

Budgetary reinforcements have been frequent. On 12 July the Navy received an additional credit of \$13 million for the purchase of new military equipment.

The Aeronautics Ministry, in addition to procuring funds from the BNDES [National Bank for Economic and Social Development], through its research institutes, to produce aircraft and to make progress in nuclear research, has just ensured an injection of \$405 million into an enterprise associated with EMBRAER [Brazilian Aeronautics Company].

Nevertheless, a considerable amount of the alleged administrative rancor in the military ministries stems from public investments in the sector that have proven unsuccessful.

For example, the Ministry of Army is struggling with the virtual collapse of ENGESA [Specialized Engineers, Inc.], a private company in which the federal government (encouraged by the Army) invested heavily for a long time. Now, the Army's industrial holding company, IMBEL [War Materiel Industry], is attempting to make ENGESA's sale to foreign and national groups viable.

In the Navy, some of the investments in a new war fleet have been jeopardized by the technical performance of its suppliers, according to information provided by the ministry itself to the Congress.

Two convoy ships were ordered from the Verolme shipyards, two maritime patrol boats from the Maua shipyard, and four patrol craft from the So shipyard. The technical problems are accumulating.

A few days ago Navy Minister Cesar Flores informed the Chamber's Defense Commission that: "In fact, our shipyards, built under the protection of subsidies and adjustments that the society can no longer pay, have not been striving to seek efficiency and profitability, which are dispensable in the subsidized universe in which they have lived for 10 to 15 years. Hence, we have reluctantly opted to construct in Brazil only at our own arsenal, at least until the performance of the civilian shipyards becomes reliable."

During a time of severe crisis in public finances, the country still maintains a substantial volume of public spending on its armed forces, in comparison with investments in the social areas. And there are no signs that a restructuring is planned in the military area to reduce investments, consistent with the trend predominating in the world since the Gulf War.

On the contrary, the Navy, Army, and Aeronautics Ministries are planning expenditures of approximately \$3-4 billion on new military equipment for the next three years, keeping their personnel contingents on the present level (320,000 men in the barracks).

In August, when the Legislature reopens, it is expected that the military industrial lobby will attempt to make that expansion in public sector spending possible. For certain projects, the military ministers are already assured of support from factions of the opposition parties, such as the PMDB [Brazilian Democratic Movement Party], the PDT [Democratic Workers Party], and the PT [Workers Party].

* Barracks Discuss Politics

91SM0423B Sao Paulo GAZETA MERCANTIL
in Portuguese 19 Jul 91 pp 1, 7

[Article by Ismar Cardona in Brasilia]

[Text] The expressions of protest from the three military ministers against the Congress's conduct on the occasion of the rejection of Provisional Measure No. 296, readjusting military salaries, was just the tip of the iceberg.

In fact, countless other issues are being debated emphatically within the armed forces.

Subjects such as military technology, the environment, the Amazon Region, Indians, the role of the military, nationalism, and Brazil's place in the new world order are part of the agenda under discussion by the military in the barracks. Its treatment of them, in general, is not attuned to the official views of the Collor government.

Time after time, the debate on these topics has transcended the confines of the barracks and reached the public.

Recently, upon leaving the post of chief of staff of the armed forces, General Jonas Correa Neto charged a "conspiracy," in the presence of President Collor and his entire cabinet.

According to General Jonas, "There are obvious international pressures attempting to weaken the armed forces, challenging our collective morality, using doubts, half-truths, and lies, stressing the negative and concealing the positive."

Among the charges "brought by First World countries" against Brazil, he selected those blaming Brazil "for genocide and devastation of the Amazon Region."

Along this same line, a month ago in Manaus the military commander of the Amazon Region, General Antenor Santa Cruz, warned a group of congressmen visiting the region of the risks that the threat of internationalizing the Amazon Region would entail for the country.

The concepts of "right to interference" and "restricted sovereignty" upheld two years ago by French President Francois Mitterrand are viewed by the military as another threat from First World countries against developing countries in general, and the Amazon Region in particular. On that occasion, Mitterrand went so far as to propose the creation of a kind of supranational government to monitor the preservation of the Amazon Region.

In this same regard, the military think that the concept of an Indian nation could serve as an embryo for the emergence of "Indian enclaves" similar to the Kurdish enclave in Iraq.

The document, "1990-2000: Vital Decade," disseminated by General Oswaldo Muniz Oliva in April, upon leaving the command of the War College (ESG), criticizes the proposals for internationalizing the Amazon Region. According to the document, the creation of areas in which the inhabitants would cease to be subject to the control and action of the Brazilian state could be the first step toward acceptance of "areas politically liberated" from Brazil, with international backing.

The limitations on the expansion of Brazil's military industry imposed by the worsening of the economic crisis, and also by the conditions set by the U.S. Government based on the new world order, as well as the proposal for a new military agreement between Brazil

and the United States, are other points evoking the most heated debates among the military.

Chile

Government Clarifies Border Marker With Bolivia

PY1308210491 Santiago Radio Cooperativa
Network in Spanish 1700 GMT 13 Aug 91

[Text] The Chilean Foreign Ministry confirmed today that the markers installed in the border zone with Bolivia, over which Bolivian officials protested, are not the official border markers but markers installed by a private company.

Foreign Relations Under Secretary Edmundo Vargas reported that a joint border subcommission that visited the zone on 9 August verified that the border markers have not been removed from their official position. The commission pointed out, however, that there are several pillars and signs that reportedly were installed by the Cascada mining company, which has its headquarters in Pozo Almonte. The subcommission report also indicates that a decision was made to have the markers installed by the mining company removed immediately.

Therefore, the Foreign Ministry said that the UPI report from La Paz that was published in newspapers today in which the Bolivian under secretary of foreign relations said the Chilean delegation reportedly admitted the incorrect location of the three border markers is not true. The statement adds that the verification clearly shows that the accusations made in Bolivia against our country for the border markers' alleged displacement have no basis. On the contrary, it has been confirmed that mining signs have been wrongly installed by private individuals, which will be removed as soon as possible.

Edmundo Vargas pointed out that measures will be adopted to prevent this situation from happening again. He also reiterated the Chilean desire to fulfill the obligations related to international treaties.

Correa Reportedly Exerting Pressure on Paper

PY1008140491 Santiago LA TERCERA DE LA HORA
in Spanish 31 Jul 91 p 8

[Excerpt] Mario Urzua, director of the weekly EL PAIS, and Colonel, Retired, Cristian Labbe Galilea, an editorial staff member, have reported that Enrique Correa, minister secretary general of government, has been exerting pressure that could be considered illegal.

In a statement read by Urzua—at the decision of the board of El Pacifico News Company—they reported that Correa "notified staff writers and directors of the communications media about four basic principles that Correa suggested should be fully respected by the communications media."

The statement adds that on 29 July, Cristian Labbe—and not the newspaper's director—received a telephone

call from Correa who, "in terms that we do not consider appropriate, personally notified us of that government policy, warning that it could be considered illegal pressure." [sentence as published] [passage omitted]

Army Ordnance in Partnership To Manufacture Tools

PY1308121691 Santiago LA TERCERA DE LA HORA
in Spanish 3 Aug 91 p 8

[Summary] Army Ordnance [Famae], which currently manufactures Swiss-technology armored vehicles and automatic rifles, medium- and small-caliber ammunition, aviation bombs, a submachine gun of its own design, revolvers, pistols and other materiel, is now going into partnership with private businessmen to establish a tool factory for both domestic consumption and export. Famae will own 40 percent of the new company, which is called Metalsam, and will appoint one of the three members of the board that will be presided by Manuel Medel, an industrialist who supplies mechanical equipment to large copper mining enterprises.

The new company will produce 250 tons of tools per year, of which 50 tons will be exported in the early days.

Army High Command Wants Higher Budget for 1992

PY1308173091 Santiago Television Nacional de
Chile Network in Spanish 0030 GMT 13 Aug 91

[Excerpt] The Army has announced that if its current budget of 60 billion pesos is hiked to 90 billion pesos it will be at the optimum level for next year. During a meeting at the Army Telecommunications Command headquarters in Penalolen, the Army high command briefed the Finance and Constitution Committees of the Chamber of Deputies on its needs for 1992. [passage omitted]

Colombia

Government Ready To Continue War If Talks Fail

PA1308175491 Bogota Inravisión Television
Cadena 1 in Spanish 0000 GMT 13 Aug 91

[Text] The national government expressed its willingness to continue the armed struggle against the guerrilla movement if the peace talks in Caracas do not have a positive result.

The government and defense ministers stated on 12 August that, if the rebels do not accept the benefits of a peace agreement, they are doomed to fall under the weight of justice.

The government also condemned the ambiguity of the language used by FARC [Revolutionary Armed Forces of Colombia] Commander Manuel Marulanda, who speaks of peace talks one day and of attaining power through arms the next day.

FARC Commander Manuel Marulanda stands alone. He said we will take power through arms, and on 12 August he received a reply. Government Minister Humberto De La Calle Lombana said we must continue to demand total peace, we continue to prepare the public forces to face even more complicated situations than the current ones. Defense Minister General Oscar Botero Restrepo said: If they maintain their defiant and whimsical demands, the rebels have no other future than to stay in the mountains, further each day from the nation.

Even, Alvaro Vasquez, general secretary of the Communist Party, said:

[Begin Vasquez recording] Marulanda told the country that he is interested in continuing the negotiations, that they had new proposals to present, that his delegation was ready, and that they hoped that the meeting would be moved up. [end recording]

In fact, in harmony with the rejection of the armed struggle, the National Guerrilla Coordinating Board's proposal to speed up the Caracas talks was received today.

As the Communist Party's general secretary points out, the controversial phrase contradicts other statements by Marulanda himself.

This only leaves the following explanations: Either Marulanda and the FARC are still playing a double game—negotiating to obtain guarantees while shooting to attain power—or Marulanda was a victim of old bellicose rhetoric when he recorded the message for his party's congress. The latter would be understandable—even if unjustifiable—because even old rebels still have their feelings.

FARC Predicts Victory

PA1308181891 Bogota Inravisión Television
Cadena 1 in Spanish 1730 GMT 12 Aug 91

[Report by Jairo Orlando Gomez]

[Text] The prolonged peace talks in Caracas acquired a new twist over the weekend. Top government officials are worried about guerrilla attacks in the Departments of Huila and Caqueta and a report that appeared in a media claiming that Manuel Marulanda Velez, alias Tirofijo, [leader of the Revolutionary Armed Forces of Colombia, FARC] sent a video to the Communist Party of Colombia [PCC] assuring that power will be achieved through armed struggle within two years.

A special security meeting was held at Narino Palace this morning to discuss a road and energy recovery plan. Leaving the meeting, top government officials refused to comment on the existence of the phantom video and the future of the peace process.

Meanwhile, the PCC general secretary denied the existence of that communique:

[Begin Alvaro Vasquez del Real recording] I believe that it is possible that we did receive greetings from the FARC such as the ones we have received from many other groups. I do not know the content of those greetings, because I am not always on the watch for them. We receive many such greetings so I do not know whether FARC leader Manuel Marulanda reaffirmed in it his criteria that the armed struggle must continue. [end recording]

This morning, a spokesman for the Simon Bolivar National Guerrilla Coordinating Board, via a communique sent to the media, said that the group is willing to advance the talks in Caracas to 16 August. The government today said that it will report by midweek on the future of this dialogue.

Several Bombs Explode in Medellin 12 Aug

PA1308131991 Bogota Inravisión Television
Cadena 1 in Spanish 1730 GMT 12 Aug 91

[Report by Lais Vargas]

[Text] Early this morning, the tranquility of Medellin residents was disrupted by five explosions. The same number of banks in the city—two in the northeastern Manrique neighborhood, one in the central Los Sauces neighborhood at Suramericana Park, another on western San Juan Avenue, and one in the Itagui Municipality—were the targets of the terrorist escalation. The losses have still not been evaluated but most of the bank buildings were seriously damaged.

According to messages received by the local media, these acts were carried out by the Simon Bolivar National Guerrilla Coordinating Board, specifically the FARC [Revolutionary Armed Forces of Colombia], to commemorate, in their own way, the first anniversary of the death of Commander Jacobo Arenas. Apparently, the explosions are part of a national offensive that started during the weekend and has already killed many soldiers. Thus, the bombs were not meant solely to disturb the tranquility that has predominated in Medellin in the past weeks. Last minute reports indicate that another two explosive devices were deactivated by authorities in the Manrique neighborhood. Three more explosions were heard in different parts of the city today but, apparently, these did not cause material damage.

Military Forces Dismantle Two Guerrilla Camps

PA1308140591 Bogota Radio Cadena Nacional
in Spanish 1200 GMT 11 Aug 91

[Text] Monteria—In the past few hours, military forces have dismantled two camps belonging to the Simon Bolivar National Guerrilla Coordinating Board [CNGSB] in Cordoba Department. The troops involved were from the 11th Brigade and Mobile Unit 2.

The military forces engaged in armed confrontations with the 18th Front of the FARC [Revolutionary Armed

Forces of Colombia], on Murrucucu Hill, where a guerrilla was killed. The military seized war material and supplies and dismantled a CNGSB base.

Similarly, on San Jeronimo Hill, an Army mobile unit dismantled the rebels' communications network for the northwestern part of the country and deactivated a relay station.

At present, large military contingents are being deployed by land and air in pursuit of the subversives, who have begun to retreat in the face of the Armed Forces' actions.

Communist Party Elects New General Secretary

PA1308182691 Bogota *EL TIEMPO* in Spanish
9 Aug 91 p 7a

[Text] Alvaro Vasquez del Real was appointed yesterday as the new general secretary of the Communist Party of Colombia (PCC) to replace Gilberto Vieira, who stepped down as leader of the communists after occupying that post for the past 45 years.

Vasquez del Real was born in Cartagena 65 years ago and started his activities as leftist leader with the Communist Youth (Juco) in the 1950's. Until yesterday, he was the party's assistant secretary and he was also the alternate senator to the assassinated Bernardo Jaramillo Ossa.

The new secretary has been a professor at several universities.

Meanwhile, Jaime Caicedo, who had also been "mentioned" as a possible occupant of the post vacated by Vieira, was elected assistant secretary.

Vasquez del Real is considered to be one of the representatives of the party's orthodox sector.

Minister Signs Cooperation Pact With Costa Rica

PA1308143491 Bogota Radio Cadena Nacional
in Spanish 1200 GMT 11 Aug 91

[Text] Santa Fe de Bogota—Colombia and Costa Rica signed an agreement yesterday to cooperate in the struggle against drug traffic, in free trade, and in the transfer of technology in the educational and scientific areas, with an eye to improving relations between the two countries. The agreement was signed by Foreign Minister Luis Fernando Jaramillo Correa, who made an official one-week visit to most of the Central American countries to strengthen Colombia's relations with them, particularly in the commercial area.

Jaramillo Correa said that Colombia plans to open its borders to Costa Rican products without any import duties, and without seeking reciprocal treatment, so that the Central American country may take the path toward economic development.

During his Central American tour, the foreign minister also visited Guatemala, Panama, Nicaragua, and Honduras, and signed free trade agreements with them all.

Pablo Escobar Reportedly Bribes Assembly Members

PA1308170191 Bogota Radio Cadena Nacional
in Spanish 1200 GMT 13 Aug 91

[Report by Juan Gossain]

[Text] SEMANA magazine's edition, which began to circulate yesterday, carries a curious report that says: It was recently learned that a videocassette mysteriously arrived at President Cesar Gaviria's office. The videocassette contained a secret video clip which shows a Constituent Assembly member receiving a lawyer who says he comes on behalf of Pablo Escobar Gaviria. The emissary is shown giving the Constituent Assembly member 2 million pesos in cash, explaining that this is an advance token of gratitude for his vote within the Constituent Assembly to eliminate the extradition decree.

The video shows the Constituent Assembly member stating his concern about what would happen if the extradition is not rejected despite his vote. Escobar's alleged representative tells him that everything is under control because 37 Constituent Assembly members have already received the same gift. Several of the people who have seen the video doubt its value as evidence because it is a rigged up meeting that was filmed with hidden cameras.

That is what SEMANA magazine reports. However, the name of the Constituent Assembly member who appears in the videocassette, reportedly receiving 2 million pesos for his vote against an extradition decree, has not been revealed. We will have to wait and see who the Constituent Assembly member is.

*** Misael Pastrana Assesses New Constitution**

91SM0419A Bogota *EL TIEMPO* in Spanish
7 Jul 91 p 3B

[Article by Misael; first paragraph is editorial introduction]

[Text] After having worked for 125 days with the other delegates Misael Pastrana withdrew from the Constituent Assembly. It was a gesture which caused consternation. Below he analyzes for the first time the process which led to the new constitution and sets out the positive and negative points which, in his view, were contained in it.

I believe that I am in a position to draw up the most objective kind of balance sheet on the Constituent Assembly, as I was one of its members for 125 days. At the same time, due to the circumstance that I did not participate in or was excluded from any leadership position in the Social Conservative Party [PSC], I was

able, from the "back bench" where I sat, to be an observer of the process of drafting the new constitution.

From even before the time the Constituent Assembly began its sessions I advocated making its work systematic. I spoke against the initial view which tended toward spreading the study of the articles of the new constitution among eight committees. Consequently, with this view in mind, in an article which I published in January 1991 in *EL TIEMPO*, I said the following:

"When I read the previously mentioned draft regulation (from the government), the idea which immediately came to mind was that if it was approved, we would change from being members of the Constituent Assembly to being members of a mini-Constituent Assembly. This is because, with the study of the new constitution spread among eight committees, the task of each one of its members during half of the period for which the Assembly was called into session would be limited to being a member of only one of them. Therefore, we would only participate with regard to a few, very specific subjects. We would be marginalized, without a voice or vote in the debate on the majority of these subjects. This procedure is impossible to explain, because supposedly all subjects in the constitution are interrelated. It is not like the separate pieces of a puzzle which will later be put together, depending on their design and shape." And I concluded the paragraph, noting, "That is why the constitution is called, in juridical language, the law of laws."

For that reason I suggested that the proposals of the government and those of the political parties and movements which had obtained the largest number of votes should be adopted as points of reference, without excluding any one of them in the analysis. I proposed that we proceed to appoint two committees. One of them would explore the points of agreement, and the other one would consider the points of disagreement. The purpose of this was that the points of agreement would be submitted directly for the discussion and approval of a plenary session of the Assembly. With the points of difference we would look first at the relative similarities between them or alternative ways of expressing them.

The truth—and I say this with the pride of having been a part of it—is that with the exception of the articles approved by the First Committee, which were accepted almost without change in the two debates in plenary session, a large proportion of the work of the other committees turned out to be insignificant because, when these subjects were brought up for the first debate, it was necessary to pass them on to special committees, since many amendments were presented. They even had to be amended further by the drafting committee and during hurried votes in the course of the second debate.

The spectacle of approving articles of the constitution, with the continuous raising and lowering of hands, and approving or disapproving subjects as important as those relating to property, voting at age 17, and matters

relating to the composition and functions of the different state institutions, as well as questions concerning territorial delimitation, involved prolonged and inarticulate debate by the committees. The result was that members of the Assembly had "to look through the narrow eye of the keyhole" without participating in the changes leading to the new constitution which were being approved in committees of which they were not members.

The 'Thermidorian Reaction' Affects Our Institutions

I insisted frequently that the desire of the members of the Constituent Assembly to be effective contrasted with the lack of leadership exercised by some of the senior figures (with the exception of Horacio Serpa Uribe). The only objective which they had, until they reached it in the Casa de Narino Agreement, was to reduce the power of the Supreme Court to interpret the meaning of the constitution, which it had done for almost a century, and to terminate the work of a Congress which had a broad and recently confirmed amount of support. In the history of the constitution that objective, with its very negative characteristics, will be recorded as the primary contribution in that context of the MSN [National Salvation Movement] and the M-19 [19 April Movement].

What would make it possible for me to call it a Thermidorian reaction aimed at decapitating our institutions was the overall, negative record of the Constituent Assembly. The assembly implemented the view of the enemies of the system that "destroying is also creating." They had made use of the system but felt their ambitions frustrated by it. Cutting up our institutions only led to confusion and removed the national seal of approval which should be inherent in a constitution, so that in fact it is what it is.

The Casa de Narino Agreement

Matters related to the arrangement on the dissolution of Congress did not have much effect because the "dictatorship by agreement" did not survive the attack of the PSC, which had substantial support from public opinion. Some four days after the signature of the declaratory document in the assembly, the minister of government stated that the president was giving up his absolute powers which, according to Dr. Lopez Michelson, the leader of the liberal movement, had been given to him at the instigation of the leader of the MSN.

And a Congress which was elected by eight million voters, having held its closing session at midnight by candle light, wound up being replaced by a "little Congress" established by a compromise between the members of the various groups in the Constituent Assembly. At nearly the last moment, in an act of republican zeal and to "avoid a democratic vacuum," as one of the signers of the respective motion said, it was provided that the new Parliament would be installed in office on 1 December 1991. By virtue of this situation the "dictatorship by agreement" ended, leaving the president

hemmed in by the veto of a Constituent Assembly, whose shadow was projected on a "little Congress" of short duration.

Negative Aspects of the Constitution

Decentralization was suggested as the central theme of the new constitution. However, apart from the popular election of governors of departments, the electoral power of the people has been centralized through so-called national level elections which will leave departments which are small in terms of geographical size and population without any representation in the highest legislative body, as in the case of the Senate. The new constitution will concentrate representation in Bogota and three other regions. The representatives of the remaining regions, as the Quirama Research Center immediately pointed out, would be left with many candidates who live in Bogota and have lost their local roots. The same thing happened with the Constituent Assembly. In a world in which the conflict of ideologies has disappeared, only to emerge in a conflict of regions, it is a serious mistake to introduce into the nation's soul this disruptive ingredient which has been foreign to Colombia.

We could say the same thing about the treatment given to private property. At a time when, with the collapse of communism, everything is tending to strengthen private property in most countries (in a recent poll in the Soviet Union about 80 percent of the people interviewed spoke out in favor of private property), here in Colombia on a day when night was falling and everyone was tired, a majority of one vote came out in favor of the expropriation of personal property and real estate by a simple, administrative resolution without any possibility of appeal.

With the exception of the few countries still surviving as supporters of Marxism-Leninism—in the Americas, the only example is Cuba—I can state that there is no country in the world in which private property has been surrounded with such limitations and is subjected by the state to such direct obstacles. In that respect this Constituent Assembly is not in tune with the end of the 20th century but rather with the years of turbulence when an advancing communist movement was a direct threat.

I also disagreed with the act of deception establishing the office of vice president. Only long ago in the history of our country did conflicts justify this action. The same thing is true at present in the Latin American countries which are considering such an action, as shown in Ecuador, Peru, Nicaragua, Panama, and Argentina, if I am not mistaken. Even in the United States the vice presidency is subject to much criticism due to the circumstance that on more than a few occasions an obscure figure has been selected to avoid a power struggle with the president. Vice President Quayle is an example which comes to mind. The designation of a president by Parliament had a long tradition without any

conflict and was marked by the names of men who assembled around them a national consensus by virtue of their good reputations.

The Positive Side of the Constitution

Regarding the other, or positive side of the constitution, I would mention in the first place what can be called the charter of human rights as well as of duties in this document. I consider that this constitution has the most modern and the broadest provisions on this matter which, as the present pope has said in a recent document, "is the basis of democracy."

This amounts to complementing the political freedom which the democracies recognized on the basis of the French Revolution with new social, economic, cultural, and ecological freedoms. In the past few years Colombia has been criticized for having acted wrongly in its treatment of the rights inherent in the dignity of human persons. This gives even more relevance to this aspect of the new constitution. Furthermore, this does not involve what in constitutional practice is called "a symbolic statement," or stating concepts without applying them in practice. Great care has been taken to guarantee those rights with action by the people, which, in Anglo-Saxon juridical practice, is called "the injunction," consisting of the power of demanding its prompt application by the authorities and subsequent, follow-up action.

I would also emphasize the consolidation of participatory democracy, which has been raised to the status of an inspirational objective, beginning with the Preamble and also stated in the Principles. As with many constitutions since World War II, such as that of France, plebiscites and referendums are provided for to reform the constitution and for changes in its legal application.

I regret that during the plenary session and in the second debate the possibility was rejected that plebiscites and referendums could be requested at the initiative of the people, as I proposed in the First Committee, where it was accepted with very few votes against it.

Approval was also given to holding elections in the regions concerned for the purpose of defining possible territorial changes. The previously mentioned popular election of departmental governors and the recall of those elected are steps with major implications in that direction. The paradox is that it would not have been agreed to employ these means of involving the people by using a referendum to determine the future of Congress. Rather, it was decided to adopt the previous practice of agreements within a closed group, which is essentially contrary to the formula involving the participation of the people.

I consider that one of the most innovative aspects of the constitution is the incorporation of ecological considerations. At the present time, along with social considerations, these have become one of the strongest interests of the people, and especially of young people, who look with concern at the mixed nature of the legacy which is

being left to them. A "healthy environment" has been raised to the level of a human right. I made a determined effort to incorporate "the ecological function" in the concept of property. This is the first time that a notion of this importance has appeared in any statute in the world establishing a constitution.

I could not fail to mention, as an unquestionable achievement in the modernization of democracy, the adoption of the concept of two rounds in a presidential election. I presented this concept to Congress in 1970 with the support of former President Alberto Lleras Camargo, who always considered changes suitable to a period of change. France included this concept in its Constitution of 1968, calling it "ballotage" [runoff election]. This arrangement has permitted the Fifth Republic in France to rise above conflicts of power, with the state resting at the top on the basis of an authentic majority.

The Commission on Territorial Change, although it did not contain all of the details provided for in the constitutional draft presented by the PSC, is a singularly relevant institution. With this in existence, dangerous improvisations have been avoided which seemed likely to win out in the initial debate on the subject. Mechanisms have been established for the careful study of the national geographic and political situation, which will prevent geographical fragmentation characterized by regional aggressiveness.

For some time taking improper privileges away from Congress has been a constant concern in this country. The reform which emerged from the Casa de Narino Agreement reached with President Barco brought in the majority of the limitations and the list of incompatible positions which have now been approved. Stripping away improper benefits which contributed in large measure to the loss of prestige by Parliament is one of the positive aspects of the constitution. I always thought that it was better to cure a headache than to cut off someone's head with the guillotine.

The definition of Colombia in the section on the Principles of the Constitution as a "Social State of Law" involves placing it in a middle position between a dying Marxism and a greedy form of capitalism. It involves placing the juridical organization of the nation and the relations between the state and the citizen on a plane of fundamental humanism and making social concerns the decisive force of the public authorities.

What Is Ambivalent About the Constitution

A neutral aspect in considering the positive and negative features of the constitution is the transplantation of institutions from other countries in the structure of our state. Like any transplant, it takes time before you know whether these institutions will be accepted or rejected. The Constitutional Court is a poor copy of the Constitutional Council in the French Constitution of 1968. The attorney general of the nation is a carbon copy of the system of Anglo-Saxon justice. The people's defender is

a reflection of the ombudsman of Scandinavia, which has already been adopted in the Spanish Constitution. I was a supporter of this latter provision at first. However, I consider that if the people are active in the defense and supervision of human rights, this concept has lost its real value and originality.

And finally, although not finally. On various occasions I have said that the political parties not only should hope to obtain a majority in terms of numbers but in terms similar to a kind of majority of ideas. And the PSC in the Constituent Assembly, under the circumstances, was in the minority in numerical terms. However, those who followed the course of the debate know that it undoubtedly expressed the majority of the ideas. Augusto Ramirez Ocampo, Carlos Rodado Noriega, Hernando Yepes Arcila, Mariano Ospina Hernandez, and Rodrigo Llorente left the imprint of their dynamic intelligence on the new constitution in the single month of their activity. Far from burying the constitution of Nunez they harmonized it with the present time and to no small degree with those who have been faithful to his political thought.

* Members of New 'Special Commission' Named

91SM0419B Bogota EL TIEMPO in Spanish
6 Jul 91 p 8A

[Text] Twelve of the 74 members of the National Constituent Assembly will now be part of the 'Special Commission' which will have veto power over extraordinary legislative measures which the president of the republic may issue during the required recess of Congress.

After 15 July Colombia will have a 'Special Commission' which will advise the president of the republic on the issuance of decrees with the force of law on various, specific matters defined by the Constituent Assembly.

The 36 member commission will have the power to approve the directives which the president of the republic prepares. Any veto of one of those decrees will prevent it from entering into force.

The 'Special Commission' will have the power to prepare draft laws to implement the new constitution, which will be presented to the new Congress, to be elected by Colombian voters on 27 October. Its constitutional term of office will end on 30 November 1991.

All of the parties and forces in the Constituent Assembly are represented in the 'Special Commission.' In the election of its members by the Constituent Assembly the Liberal Party obtained the largest number of seats (12), followed by the M-19 movement [19 April Movement] (10), and the National Salvation Movement (5).

Following are profiles of the members of the 'Special Commission.'

Armando Novoa (AD M-19) [Democratic Action M-19]

A lawyer trained at the University of Colombia [Day School], professor of the Free and Autonomous Universities, a specialist in labor law, adviser of Otti Patino, editor of the magazine 2010 (published by AD M-19), coordinator of the team which drafted the M-19 proposals in the Constituent Assembly, and responsible for the political education of M-19 cadres.

Luis Guillermo Nieto (MSN) [National Salvation Movement]

A lawyer and conservative leader from the Department of Boyaca. Was governor of his department under the administration of President Alfonso Lopez Michelsen. A follower of Alvaro Gomez.

Helena Herran (PL) [Liberal Party]

Liberal leader from the Department of Antioquia, associated with the official faction of the Liberal Party led by Senator Bernardo Guerra Serna. Was governor of her department under the administration of President Virgilio Barco Vargas. Was elected to the Constituent Assembly on a Liberal Party list which was presented in the Department of Antioquia.

Juan Carlos Florez (AD M-19)

An historian who studied in the Soviet Union. Speaks several languages. A specialist in the history of the USSR. A professor in the University of the Andes and Javeriana University. Adviser of Abel Rodriguez in the Constituent Assembly.

Carlos Lemos (PL)

A lawyer and a liberal. Born in Popayan. Was governor of his department and has been a cabinet minister on five occasions. A senator and journalist. He has been mentioned as a possible presidential candidate.

Hernan Vallejo Mejia (PSC) [Social Conservative Party]

A conservative leader from the Department of Antioquia. Was deputy minister of agriculture under the government of President Misael Pastrana Borrero. Was president of the Colombian Association of Cattlemen (Fedegan). President Belisario Betancur appointed him minister of agriculture, a position which he held for only four months.

Guillermo Asprilla (AD M-19)

A lawyer and adviser of Rosemberg Pabon, a former guerrilla. A professor of the District University.

Anibal Fernandez (PSC)

An economist and conservative leader associated with the supporters of former President Misael Pastrana. Was mayor of Bogota, a member of the council for the Special District, and a member of Congress.

Alonso Lucio (AD M-19)

An M-19 leader in the Cauca Valley. A member of that organization for several years. Participated actively in the dialogue with the government, together with Carlos Pizarro Leongomez.

Manuel Munoz (EPL) [Popular Liberation Army]

A lawyer from the Department of Antioquia, associated with the Popular Liberation Army (EPL). A defender of the people's rights. Adviser to Dario Mejia, who was a member of the Constituent Assembly.

Susana Montes (MSN) [National Salvation Movement]

A lawyer and adviser of the MSN in the Constituent Assembly. Was deputy attorney general of Colombia. Is chairperson of the area of public law for undergraduate and postgraduate studies in public administration at the University of the Andes.

Hernando Agudelo (PL)

Community leader in the Department of Antioquia, an economist and Liberal Party ideologist. Has been minister of finance. Has also been a member of the Chamber of Deputies and a senator. Is now president of the Economic Society of Friends of the Country.

Fernando Carrillo (PL)

Student leader and promotor of the so-called seventh leaflet which led to the convocation of the Constituent Assembly. Is a professor of constitutional law in several universities. Was an adviser to President Cesar Gaviria on constitutional matters.

Jesus Perez (PL)

Liberal leader of the Caribbean coastal area. A university professor of constitutional law, he was elected to the National Constituent Assembly on the list headed by former Minister Jaime Castro.

Luis Valencia (AD M-19)

An economist, was a member of the Patriotic Union. Came into the M-19 movement from one of the "Bernardo Jaramillo Circles." Is a social researcher and was an adviser of Argelino Garzon in the Constituent Assembly.

Fernando Coral (AD M-19)

A lawyer and adviser of Carlos Ossa Escobar. Coordinated the presentation of several M-19 proposals in the Constituent Assembly.

Alvaro Villarraga (AD M-19)

Linked to the Popular Liberation Army (EPL). A researcher from Bogota and member of the Committee for Overcoming Violence.

Felipe Vallejo Garcia (MSN)

A lawyer trained at the University of the Rosary. Holds a master's degree in law from Yale University (in the United States). Adviser to the Greater Colombian Merchant Shipping Fleet. A university professor. Member of the Colombian Academy of Jurisprudence.

Juan Manuel Charry (MSN)

A member of the Liberal Party. Was a deputy attorney and adviser of the National Salvation Movement in the Constituent Assembly.

Adelaida Angel Zea (MSN)

A lawyer and an expert in constitutional and administrative law. A university professor.

Rodrigo Llorente (PSC)

An economist and a conservative leader who supported former President Misael Pastrana. Was minister of finance in the government of President Misael Pastrana Borrero. Has been a director of several banks. Was candidate for the Constituent Assembly for the Social Conservative Party in the Sixth District. Only after former President Pastrana resigned his seat did he enter into and participate in the work of the Constituent Assembly.

Jaime Calderon (PSC)

A lawyer. Was chief of peasant affairs in the Ministry of Labor and chief of the peasant organization in the Ministry of Agriculture. Is secretary general of the Social Conservative Party. Was secretary of government in the Office of the Mayor of Valledupar.

Jaime Ortiz Hurtado (Evangelical Protestant)

A religious leader of the Christian Union. Headed a list of candidates for the Constituent Assembly for this movement, which obtained two seats.

Diego Uribe Vargas (PL)

An internationalist and constitutional lawyer. Liberal leader in the Department of Cundinamarca. Was governor of the Department of Cundinamarca and minister of foreign affairs in the government of former President Julio Cesar Turbay Ayala.

Carlos F. Giraldo (PL)

A liberal leader and governor of the Department of Caldas. A professor of constitutional law. Was elected member of the Constituent Assembly on the list which he headed in his department.

Aida Avella (UP) [Patriotic Union]

Trade union leader of state workers. Linked to the Colombian Communist Party for the past several years. Was elected to the Constituent Assembly in the name of the Patriotic Union.

Antonio Jose Cancino (PL)

A criminal lawyer and a liberal. Consulted by several administrations on this matter. Is a professor at several universities.

Francisco Rojas Birry (Native American)

Civic leader in the Department of Choco. Studied law and has been a leader of the National Organization of Native Americans (ONIC). Headed the list of native American candidates to the Constituent Assembly and won his seat. Now is a member of AD M-19.

Eduardo Verano (PL)

A liberal leader from the Department of Atlantico. Held several positions in the departmental administration. Follower of the group which supported Ernesto Samper Pizano. Was candidate to the Constituent Assembly on the liberal list which Horacio Serpa Uribe headed. Was elected to the Constituent Assembly.

Marta Montoya (AD M-19)

A journalist. Was press chief in the Office of the President during the administration of President Julio Cesar Turbay Ayala. Now a member of the M-19 movement.

Otilia Duenas (Native American)

Representative from Lorenzo Muela and one of the advisers of the Native American Constituent Assembly.

German Sarmiento (PL)

Liberal leader who participated in several groups belonging to that party.

Idela Zuluaga (AD M-19)

Former leader of Anapo [Popular National Alliance]. Adviser to Antonio Navarro. Was Colombian consul in Venezuela and is an administrative director of AD M-19.

Jorge Herrera B. (PL)

Liberal leader and governor of the Department of Valle del Cauca. Was president of the Principal Division of Colombian Soccer.

Ricardo Barrios Z. (PL)

Liberal leader of the Department of Atlantico. Was a member of the Chamber of Deputies and a member of the Advisory Commission on Foreign Relations.

Dario Mejia (EPL)

Former guerrilla in the National Popular Liberation Army. Former commander of that organization's combat front in Uraba. Studied sociology. Was nominated by his movement to the National Constituent Assembly. President Cesar Gaviria appointed him to this position on the basis of the powers given him by Decree 1926.

*** Exchange Measures Affect Coffee Market**

9ISM0427A Bogota EL ESPECTADOR in Spanish
28 Jun 91 p 7A

[Text] Colombia can reinstate coffee sales through private exporters and the Coffee Federation only when the exchange rate policies adopted by the Government, which have resulted in large losses, have been clarified.

The Administration's plan to provide exporters with exchange certificates redeemable in 90 days or at a discount have caused a 3-7 percent reduction in revenue to exporters, while costs have remained the same.

"Nobody is about to sell at a loss, said Coffee Federation Director Jorge Cardenas Gutierrez.

According to Coffee Exporters Association [Asoexport] President Roberto Junguito Bonett, the lower revenues will result in an additional deficit of more than \$30 million to the National Coffee Fund. The deficit was projected at \$18 million.

Both Cardenas Gutierrez and Junguito Bonett agree on the need for the Government to reduce the coffee subsidies created through Law 9a of 1991, through which all charges for export of the beans have been combined.

The Asoexport president maintains that the subsidy should be cut from \$8 per 70-kg sack to \$4. According to Cardenas Gutierrez, the subsidy is \$6 for July and should be cut in half.

Large Impact

The private coffee exporters association president indicated that the peso's revaluation against the dollar and the plan to grant certificates of exchange redeemable in 90 days, rather than in current dollars, will have a significant revenue impact on its members and on the National Coffee Fund.

He showed that until the Government and the coffee board define the rate of exchange for revenues derived from sale of the beverage, deliveries will not begin again.

Both private exporters and the Federation are continuing with normal coffee shipments for beans that have already sold, but they are not signing new contracts for July and August exports.

According to Junguito, a rate of exchange different from the official one is needed to reduce exporters' losses and facilitate new shipments.

The coffee subsidy, which is the difference between the revenues from export of the beans and their costs, will result in a deficit of more than \$30 million to the Coffee Fund by the end of the year.

"The impact is very important. The resources derived from coffee exports have fallen to between three and four

percent depending on the discount at which the certificate of exchange the Government gives instead of dollars is sold," said the Federation director.

He declined to specify how much the Coffee Fund deficit would increase, until the amount of the coffee subsidy is finalized.

The Coffee Fund will be greatly affected if the discount on the certificates is high, and vice versa. The coffee subsidy will be reduced, but not the transfers that the Fund must continue to make. "Someone has to pay that difference," observed Cardenas Gutierrez.

The official indicated that conversations between the Government and the association were long, with the objective being to keep the Fund's deficit below \$18 million, and for that reason the international price to the growers was readjusted somewhat, and the programs and expenses of the Federation were restricted.

Today, with lower revenues the Fund will increase its losses beyond the \$18 million.

With respect to the coffee subsidy that will become current next Monday, 1 July, Cardenas said that it is calculated automatically but that it has to be reduced by half given the exchange rate measures.

Cardenas maintained that no one has deliberately suspended coffee exports, but he added that since the accounts do not come out positive after deducting costs from revenues, no one is going to sell at a loss.

Low Exports

According to a Federation report, only 448,647 60-kg sacks were shipped between the 1st and the 23d of this month. Recently, Colombia has exported an average of a million sacks per month.

In the April-June quarter 2,602,570 sacks were shipped, representing 73 percent of sales during the same period last year.

During the 1990-91 coffee season (that is, between 1 October 1990 and 23 June 1991), Colombia shipped 8,610,237 sacks of coffee, representing 82.1 percent of the beans sold during the same period last year, when shipments were 10,483,653 sacks.

Private exporters have placed 50.7 percent of the coffee that has left the country as of this month. The Federation has sold 49.3 percent.

It was hoped that the suspension of sales from Colombia would cause the international coffee futures prices to increase, but this has not occurred, according to the exchanges in New York.

*** Decline in Industrial Production Detailed**

91SM0415C Bogota EL TIEMPO in Spanish
9 Jul 91 p 9B

[Text] The economic decline appears to be worse than was expected. Between January and March, industrial output fell 3.6 percent compared to the same period last year. Last year there was a 1-percent increase.

This was the first report of the Monthly Manufacturing Indicator, released yesterday by the National Administrative Department of Statistics (DANE), and which pointed out that 19 of 29 industrial groups had negative results.

If the coffee production subsector is included, the total industrial decline is even worse: 5.7 percent, compared to 1.6 percent growth during the first three months last year.

The DANE report, which was delayed in part because of adjustments to the research, nevertheless reveals that industrial employment remained steady during the first quarter.

The largest fall occurred in coffee production, which declined by 27 percent. That is explained by the decrease in coffee exports the first part of the year. Between January and March overseas coffee sales fell by 25 percent compared to the same period in 1990.

After coffee production, the most depressed subsector was transportation equipment and materials, with a decline of 24 percent. That is explained in part by the drop in vehicle sales (down six percent) and auto parts sales.

Following that were wood furniture, metal products, machinery, electrical appliances, professional and scientific equipment, and other oil and coal derivatives, with declines in output of between 11 and 19 percent during those three months.

Also falling were plastic products, electrical machinery, basic iron and steel industries, petroleum derivatives, and magazines and newspapers, with negative rates of between 7 and 10 percent.

Of the 10 industrial groups that grew during the first quarter, worthy of note were leather and leather products, with a production increase of 12.5 percent, china and porcelain objects, with 11.8 percent, and paper and paper products, with 11.5 percent.

There were also positive trends in the subsectors of rubber products, basic nonferrous metallic industries, and shoe manufacturing, with increases of between 7 and 10 percent.

According to the classification of industries by large activity sectors, the largest decline was in capital goods, with a drop of 20 percent. This was followed by intermediate goods, with a drop of seven percent, and consumer goods, down by 2.6 percent.

The breakdown by region shows that the largest fall occurred in Antioquia, with a decline of 10.4 percent, followed by Santa Fe de Bogota, down 7.4 percent.

By contrast, the Valle department, which is the third largest industrial area, recorded growth of 1.4 percent for the quarter.

The DANE report reveals that despite the strong drop in production, employment remained stable in the first quarter. For all industries employment grew 0.4 percent. Excluding coffee production, the increase in employment in the remaining industrial groups was 1.1 percent.

Nevertheless, it must be noted that permanent employment declined slightly because temporary jobs rose by 7.8 percent. The subsectors contributing most to this trend were shoe manufacturing, leather, and paper products.

Despite the first quarter's bad results, it is possible that the industrial decline will be less. At least that is what the surveys carried out by the Federation for Development (Fedesarrollo) and the National Merchants Association lead one to project.

In the analyses of the first months of the year, industries were very concerned about the accelerated increase in inventory, as well as low sales, but this situation began to change in April and was better in May.

If the better economic prospects that industry anticipates come true, it is possible that the decline will now be smaller. However, officials and private analysts believe that the industrial sector will have very low growth this year.

Paraguay

Gen Oviedo, Businessman Criticize Media Owners

PY0908234491 Asuncion ABC COLOR in Spanish
8 Aug 91 p 4

[Excerpt] General Lino Oviedo requested the implementation of a press law within the framework of a series of critical remarks about the press he made during a meeting the military held with some 20 businessmen within the framework of the civilian-military dialogue. As usual, the meeting was held at the home of General [Anibal] Regis Romero and it was held behind closed doors, which was quite different from the meeting the military held with media owners and journalists on 6 August, when the press had free access.

The meeting businessmen had with the military on 7 August within the framework of the civilian-military dialogue suddenly turned into an attack on the press by General Lino Oviedo and businessman Juan Carlos Wasmosy.

After the meeting, Oviedo said: "The press are the only ones who benefit from this democracy; they are the ones receiving the benefits of the results of democracy." He

added that democracy is not for cowards, and "we have to establish the rules of the game. And we have the fundamentals to do so: intelligence, capability, and the will."

He also indicated that an economic power exists and there is probity within the military to establish the rules of the game.

Always referring to the press, Oviedo said, "They are not going to put a banana skin under our feet with their newspapers. We confronted them here yesterday." And that the businessmen of the press cannot have a 30-minute discussion with us "because their arguments are hollow."

It must be noted that Oviedo made these remarks during a more private meeting of those present that was held at the home of Regis Romero, when some of those present left after the official meeting concluded.

Oviedo also said that "populist ideas have failed" all over the world, and "it is impossible to sustain ideas that impoverish the nation."

He urged the businessmen to work in unity for the country, and he indicated: We the military "are your soldiers," referring to the businessmen. [passage omitted]

PDC Leaders Meet Military Representatives

PY0908225891 *Asuncion ABC COLOR in Spanish*
6 Aug 91 p 3

[Text] Christian Democratic Party (PDC) President Jose Burro described "the fact of being able to discuss the daily problems of the transition to democracy with Armed Forces representatives as very stimulating."

Burro and Secundino Nunez, as PDC representatives, yesterday attended a meeting with military officers.

Burro said that during the meeting with the Civic-Military Coordinating Committee, "the Armed Forces representatives ratified their democratic will and they asserted that they will accept the people's decision in 1993; that is, they are willing to subordinate to a civilian government."

Burro added: "In order to fully institutionalize the Army, the military will not participate in partisan political activities."

Burro also said they discussed the national economic problems that somehow affect the military.

Bolivian General Arrives To 'Apologize'

PY0908160691 *Asuncion NOTICIAS in Spanish*
9 Aug 91 pp 34, 35

[Excerpts] General Fernando Sanjinez Yanez, a member of the Bolivian Air Force (FAB), arrived in our country on 8 August to apologize, in the name of his government,

to President Andres Rodriguez for the involuntary incursion of the airplane, FAB-016, into our territory. This is in relation to the 16 kg of cocaine that were seized from the Bolivian plane. A Special Antinarcotics Force delegation from the neighboring country will arrive in our country on 9 August.

Bolivian Gen. Sanjinez Yanez stressed to NOTICIAS that he is visiting our country to obtain information on Verly Valdez Ruiz, who was piloting FAB-016, which was carrying the cocaine. [passage omitted]

A Bolivian Embassy source told this newspaper that Sanjinez Yanez will meet with President Andres Rodriguez on 9 August to apologize for the "involuntary entry" of FAB-016.

When our source was asked whether the Bolivian military man would apologize for the entry of a second plane, FAB-271, he stated no. Our source said: "The Paraguayan Government was asked for permission for the second plane's entry into Paraguayan territory."

Sanjinez met with Guillermo Timeo Leigue, Bolivian Ambassador to Paraguay, on 8 August and they discussed the incident. Sources have stated that visits to our country by other high-ranking Bolivian officials cannot be discounted.

Dinar [National Narcotics Directorate] sources have told NOTICIAS that a delegation from the neighboring country's Special Antinarcotics Force is expected in our country on 9 August to discuss the incident involving 16 kg of cocaine. [passage omitted]

Communist Party Secretary General Interviewed

PY1308034891 *Asuncion ULTIMA HORA in Spanish*
10 Aug 91 pp 6, 7

[Interview with Paraguayan Communist Party Secretary General Ananias Maidana Palacios by reporter Arnaldo Ricardo Salazar; place and date not given]

[Excerpt] [passage omitted] [Salazar] In light of the changes that are taking place in the USSR—specifically, as far as our country is concerned—do you think the Paraguayan Communist Party (PCP) can become a true instrument for change in the situation of injustice and social marginalization that the underprivileged majority is experiencing? If the answer is positive, how will it be possible to promote such a national transformation?

[Maidana] In our recent congress we debated the problem of change and we concluded that the deep roots of our country's deplorable socioeconomic situation are of a structural nature. Yet, the solution cannot come from a single party because experience has taught us that not even the largest parties have succeeded in solving it.

We believe that a solution should be the result of joint work by all sectors that advocate change—not only the political parties, but also the various social movements

and the Catholic Church itself, which has stressed the need to fight not only the effects, but also the causes of that situation.

This is the structure to which I referred. Yet, what do we mean by structure? Our country's primary means of production is land. This poses a problem. Who are the owners of the primary means of production that can be used by peasants? We are also burdened by an undemocratic distribution of land. In this regard, we advocate an equitable, democratic distribution of land. We believe that some political leaders have slandered us by saying that we oppose private ownership. At this stage, we are proposing an expansion of land ownership—although not in its current system, in which Paraguay's best land, forests, and animals are owned by about 1,500 individuals who manage 87 percent of our best natural resources. Therefore, when we say we want to expand private ownership, we refer to ownership by peasants, not by landholders.

On the other hand, we have talked with businessmen, who have told us that they support land reform because it is the only way toward expanding the internal market because peasants account for 64 percent of this market. Consequently, national industry will not develop without land reform. This matter does not depend entirely on land ownership because peasants also demand fair prices, a firm market for their products, reliable technical assistance, and long-term loans at low interest rates.

Therefore, rather than being the result of a set of circumstances, the current crisis is of a structural nature, at both the internal and external levels. It is the result of a policy in which foreign factors have exploited Paraguay, a policy in which foreign capital has played a major role. In fact, foreign capitalists do not want our country to achieve industrial development and they continue to take raw materials at very low prices, selling us industrial products at much more expensive prices.

[Salazar] What are the main conclusions and proposals of the Fourth PCP Congress, at both the party and national levels?

[Maidana] At the party level, a decision was made to strengthen internal democracy, collective leadership and joint work, criticism and self-criticism with a constructive, unifying spirit, and the participation of rank-and-file organizations and of comrades in decisions because we believe cells are vital. We will also try to improve political propaganda and to raise the political and ideological level of our militants and leaders through training courses; especially, by implementing this program on the basis of practical work for mobilization of the masses.

We will also promote debate and study of the national situation and of the situation and role of the working class, peasants, youths, and women. We will also hold a special congress as soon as possible to update our program and our statute.

At the national level and in order to broaden and strengthen the democratic process that began with the coup and continued with efforts that followed, we believe it is necessary to promote a mobilization of the people who have united in the struggle for democracy, social justice, and freedom as a precondition for progressing and achieving victory. In addition, in order to promote participative democracy, it is necessary—and it is also possible—to create a broad alliance of social and political sectors, based on a popular alliance between peasants and workers.

We also maintain that this broad front should participate in the next election of members for the Constituent Assembly in order to elect legitimate representatives of the people who can help draw up a progressive, democratic constitution that can preserve the rights of workers and of the people in general.

Initial Contacts Established With Soviet Airline

PY1308030891 Asuncion NOTICIAS in Spanish
12 Aug 91 p 9

[Excerpt] Augusto Fuster, a member of the Paraguayan Airlines executive board, has said that talks were held with officials of the Soviet airline company Aeroflot to discuss possible future commercial agreements.

When asked if any concrete negotiations were conducted with the Soviet airline, Fuster said that only initial contacts were established. [passage omitted]

Delegation Returns From Trade Talks in USSR

PY1308032691 Asuncion ABC COLOR in Spanish
12 Aug 91 p 9

[Text] Trade between Paraguay and the USSR is a fact; it currently depends on the efforts of Paraguayan businessmen, said Nicolas Ermakoff, president of the Paraguayan-Soviet Chamber of Commerce. Ermakoff and other members of the Chamber of Commerce recently returned from a visit to Moscow and other Soviet cities, where they established direct contacts with businessmen and trade chambers.

Ermakoff said the USSR is a market made up of 280 million people, which is undergoing transformation, is opening to the rest of the world, and has many needs that must be met. This is a great opportunity for Paraguay to export products. He said that meat and other agriculture products can be exported without any difficulty through a bilateral trade system. This means Paraguay can send a certain product in exchange for another supplied by the USSR. "They have machinery that can be exchanged for food," Ermakoff said.

The Paraguayan-Soviet Chamber of Commerce signed an agreement with the Soviet Industrial and Trade Chamber in which the Soviet organization promises to receive and assist Paraguayan businessmen interested in contacting Soviet counterparts, besides promoting direct cooperation between the two countries.

The Paraguayan organization also signed an agreement with the news agency NOVOSTI, which has a commercial department. In this agreement, NOVOSTI will promote trade contacts between the two countries. The agreement was signed by Marina Vasilyeva for NOVOSTI and Nicolas Ermakoff for the Paraguayan-Soviet Chamber of Commerce.

This is an important agreement because the news agency has a bureau in Uruguay; this means Paraguayan businessmen can contact NOVOSTI in Moscow via Uruguay.

The Paraguayan-Soviet Chamber of Commerce also signed a protocol of intent with the company Tekhnosport of Moscow in which this company promises to carry out feasibility studies for the use of trolley buses in Asuncion. Ermakoff reported that talks on this subject were already established with the municipality of Asuncion.

Besides the business agreements, the Paraguayan-Soviet Chamber of Commerce also negotiated a visit by eight Soviet athletes who will give exhibitions and courses in Paraguay next October or November. The Soviets also offered to present a Russian music and culture festival in Paraguay by the end of 1991 or the beginning of 1992.

Peru

* Fujimori Administration's First Year Viewed

91SM0422A Lima CARETAS in Spanish
15 Jul 91 pp 32, 34, 36, 91

[Report by unidentified reporter: "The First Year in Review: A Bittersweet Honeymoon"]

[Excerpts] There are those who say that the president has made the big switch to laissez-faire faster than Mario Vargas Llosa could have, because events would have been much less kind to him. Fujimori has had his share of ups and downs, scares, and annoyances (what is more, he brought many of them on himself, with his rough, sudden apprenticeship), but he can claim that things have not gone so badly for him, as those making their debut say. Starting off with so many problems, with the country running a deficit, and with obvious shortcomings in his entourage, he has gotten past his first year with economic and social cyclones hot on his heels.

Pluses

—Family planning—The Banking and Insurance Law—The freeing up of foreign trade and the lowering of tariffs—The negotiations to reincorporate the country into the international economic system—The new Penal Code—The reorganization of Enapu [National Ports Enterprise], and the disappearance of ECASA [Rice Marketing Enterprise] and ENCI [National Enterprise for Industrial Marketing]—The incorporation of Peru into the South Pacific rim—The freeing up of the land market and the expansion of associative

forms of farm ownership—The agreement with the United States on cocaine and drug trafficking; the reduction of the government bureaucracy.

Jury Still Out

—Tax reform and the reorganization of Sunat [National Superintendency of Tax Administration]—An erratic monetary policy; high interest rates; exchange-rate lag—Slow to put together the Support Group—Slow to privatize state-run enterprises—Repatriation of fair-weather capital in private banks—Dismissal of senior military officers

Minuses

—Policy of pardons—Confrontation with the other branches of government—Hostility towards Diplomatic Service—Coldness towards the Church—Makeshift overhaul of Police Forces—Absence of a social policy; failure of the Social Emergency Program (PES)—Tax burden maintained through gasoline and public-service charges—Indiscriminate attack on political parties—National Intelligence Service wiretapping.

The protracted problem of taxes has taken up too much of the cabinet ministers' time, and thus it was not until this week that the ministries hastily began working full-time on the first drafts that will describe the activities of Alberto Fujimori's first year in power. This is a ritual of democracy and a constitutional mandate. [passage omitted]

Whether it was because he heard from his parents that there is an imperial style of governing, or whether it was because this year he has to struggle amid an urgent apprenticeship in turbulent politics and the insecurity of improvisation, Alberto Fujimori has chosen an unprecedented combination of tactics in Peruvian politics: brusqueness, the element of surprise, silence, a low profile, and a calculated opening of fronts to change the subject.

Sharp language, sparing in showing thanks, pragmatism, mistrust, intuition. The palace is a "bunker" that takes its time and that also prefers low-profile, cautious, diligent, calculating advisers. It is no accident that many figures of clear-cut Oriental origin who were never involved in politics but who can play several cards if the occasion so requires are there.

Alberto Fujimori could paraphrase Malraux: governing is, in principle, a way of losing friends. One after the other, those who put together a government program for him during the anxious period between the first and second rounds of balloting, or those who were with him in a first, promising cabinet under the leadership of Juan Carlos Hurtado Miller, or those who gave him the support of a motley movement marked by unmistakable grassroots ferment, they all kept dropping off the presidential tree before they even had time to consider whether they had come of age. [passage omitted]

On the home front, Fujimori is pursuing a two-pronged strategy. From his symbolic seclusion in the Military Club, when he was the president-elect, he gained a tacit alliance with the military, which would be the umbrella he could not do without when the weather got stormy in Congress, where so far several partisan political forces have neutralized each other but whence the biggest threats to his future stability will come. He made occasional contacts with the parties and with independents to reach minimal agreements, and with a good sense of timing he opened up to well-known and competent figures who enjoy professional prestige. [passage omitted]

It is in relations with the Legislature that President Fujimori has stretched things to the limit. Encouraged by the disrepute of the parties (thanks to which he became president), he has tried several times to go over the Legislature's head, citing its inefficiency, low productivity, and useless preoccupation with ideology. During the initial period, Premier Hurtado Miller secured extraordinary powers to govern by decree. Under the leadership of Carlos Torres and Torres Lara, now that the economic program has started to give off contradictory signs, it has not been as easy for him to get them. In the two most serious confrontations over economic policy (the 1991 budget that Fujimori enacted while striking 15 articles, which prompted two special sessions, one called by Congress itself, and the tax reforms), the administration has come out smarting and, in the final accounting, has gained little, except to show that Change 90 does not have the slightest parliamentary skill.

During the administration's first year, however, the president has had in his favor the citizenry's fervent desire to put the economic crisis behind them no matter what policies are pursued, accepting that Mao's remark "the East is Red" now means "the East is laissez-faire." The country stoically accepted the August shock, ignoring the left and APRA [American Popular Revolutionary Alliance] (remember the failure of the August strike). It even accepted the big hike in December, realized that the international economic situation was responsible for the delays in the establishment of the Support Group, and accepted the infuriating coldness of the IMF and World Bank.

It accepted the cholera epidemic, the big hikes in gasoline prices, the failure of the PES, the mounting wave of violence, all because it could see light on the horizon. This does not necessarily represent support for the Fujimori administration; rather, it represents support for the survival of democracy. The problem is that the country's staying power has run out, and there are still serious hurdles in the program that will have to be overcome in July just as completely as when in February the administration acknowledged that Hurtado Miller's extraordinary efforts could achieve no more and that some changes in leadership were needed. [passage omitted]

The Fujimori administration has gotten its best reviews, however, from businessmen, mainly because it has begun the indispensable structural reforms that they have been calling for. Hurtado Miller was replaced by Bolona mainly to speed up the pace of establishing a free-market economy. Hence, the liberalization of trade, the cut in tariffs, the reforms in Customs, rates, cargo, and transportation, the banking and insurance law, the liberalization of land, etc. have been received positively. The debate now is over the order in which these moves ought to have been made to avoid stops and starts (which there have been), but it is indeed significant that in spite of the fears of industrial, mining, agrarian, export, and financial associations, the consensus is to take up the great free-market challenge.

The bleak side of the picture is violence, drug trafficking, and terrorism. Stability is the other condition that domestic and foreign investors and the citizenry are demanding, because the scourge of poverty is compounded by widespread violence and crime in the streets. On these issues the administration has had more weak than strong points, except in the case of the antidrug agreement, which is still in the general-framework stage, however.

This first year has been a trial run, and in spite of everything, given the president's mistakes and excesses, the vacillations and weaknesses of the political class, the patience and wrath of the low-income sectors, the support and demands of business, things have not gone badly for the administration. The country has wanted to believe. This is a political asset that obviously will surely not survive a second year unless the administration sets new working guidelines that are, first of all, much more consistent and organized. This administration without a program has made much progress, but to make further headway now it definitely requires a clear-cut, consensus plan of action, one that depends less on the element of surprise and on how the winds are blowing.

For this reason, some analysts are paying more attention to the political sectors and to the organized sectors of the citizenry than to the actions demanded of the administration. The political class represented in Congress has paid too much attention to monitoring the administration and to playing the star and too little to its legislative capacity. Ideologically speaking, it has still not gotten over the ballot-box syndrome and its slowing reflexes in proposing alternatives to the surge in free-market policies and to the authoritarian temptation that, objectively speaking, beckons the chief executive. As for citizen groups, their problem is to organize to counter violence, on the one hand, and on the other to seek methods of protest other than those of the top echelons of organized labor, which are politicized and anachronistic. They alone are called on to offset the free-market euphoria and the failure to defend and preserve human rights. The administration has chosen to strengthen the campesino patrols, and in this it has had the public's resolute

support, but the problem of urban crime is no less pressing and, therefore, requires a new approach to the police issue.

There are a few items on the liabilities side of this first-year ledger that we also ought to mention: the direction that the promotion of small- and medium-sized businesses will take, and the legal system that the underground economy must accept in order to be included in the joint efforts at reactivating the country in exchange for an elementary adherence to the tax laws. A country is not viable if it is increasingly torn between an official and an underground economy, and it would seem as though government policies are encouraging and promoting the latter. This is the backdrop to the tax impasse with which the administration has closed its first year in office. The great edifice of the free-market reform has a weak foundation in the tax system and in the reluctance of the citizenry to shore it up.

Credibility Increased

*PY1308134291 Lima EXPRESO in Spanish
3 Aug 91 p 4*

[Summary] According to a survey carried out by the company Peruvian Public Opinion [Peruana de Opinion Publica—POP] in the metropolitan area of Lima, the credibility of President Alberto Fujimori increased following his independence day speech to the nation. The poll showed that 56 percent of the public "believes" what the president said in his speech. Responding to another question, 53 percent said that after listening to Fujimori's speech they still doubt that Peru will be able to surmount its economic crisis, while 51 percent of the polled people said that they firmly believe that all the goals of Fujimori's second year in power will be achieved.

Visiting PRC Delegation Reaffirms Friendship

*PY1308135891 Lima EL COMERCIO in Spanish
(Sunday Supplement) 4 Aug 91 p 10*

[Excerpt] Wang Hanbin, leader of the PRC National People's Congress [NPC] delegation that recently visited Peru, has stated that the PRC is prepared to increase its assistance to Peru in every possible field.

The PRC delegation arrived in response to an official invitation. During the visit its members were able to observe, albeit briefly, Peru's critical situation. Wang Hanbin drew a parallel between the PRC and Peru, saying that the two nations have gone through similar times of indescribable poverty and foreign oppression. He said: "Thus, we have a common idea of ways to cope with problems and to help each other through development. Fortunately there are no conflicts between us because we have an old friendship to back us up."

He added that President Alberto Fujimori's visit to China in April this year was very encouraging because it "wrote another page in the history of our bilateral relations. The recently celebrated first anniversary of the

Peruvian-Chinese Parliamentary Association epitomized the strengthening of the good, friendly relations between our two countries."

A formal ceremony, attended by Peruvian politicians, was held at the main hall of Petro-Peru [State Petroleum Agency]. During this ceremony Wang Hanbin, Song Rufen, (Xu Jialu), and Xue Yan, members of the NPC joined the Peruvian-Chinese Parliamentary Association. The highlight of the ceremony was when Peruvian Foreign Minister Carlos Torres y Torres Lara handed PRC Ambassador in Peru Dai Shiqi, the original text of the supreme decree that designates 25 July as "the Day of Peruvian-Chinese Friendship," a gesture that in the final analysis is no more than the official recognition of the ties that began 20 years ago when the Peruvian-Chinese Cultural Institute (Icupech) was founded.

On behalf of Peruvian President Alberto Fujimori, Minister Torres y Torres Lara said words to the effect that the ceremony signified the official approval of the 100-year-old friendship between Peru and China.

Wang said that the Chinese Government pays special attention to the problems of developing countries, especially those of Latin America in general and Peru in particular. "Our national economies may benefit by an exchange of fish meal, which interests us greatly, for Chinese light industry products or small agriculture equipment," Wang offered by way of bilateral trade. [passage omitted]

*** Selected 1990 Economic Indicators Published**

*91SM0422E Lima EL COMERCIO in Spanish
6 Jul 91 p B8*

[Text] The economic indicators and vital statistics that describe Peru's actual situation in 1990 underwent substantial changes from the previous year, reports the National Institute of Statistics and Informatics (INEI) in an abstract 1990-1991.

Territory, Weather, and Seismic Activity

As of 31 December 1990, Peru was divided into 11 regions, 184 provinces, and 1,784 districts. As for seismic activity between August 1990 and June 1991, earthquakes have occurred most often along the coast, as Lima recorded 16 and Arequipa had 12, ranging between 3.4 and 5.5 on the Richter scale. The San Martin, La Libertad region was the most badly damaged by earthquakes ranging from 4.7 to 6.2 on the Richter scale.

Demography

Based on census results and the findings of special surveys, the estimated population as of 30 June 1991 was 21,998,000. The average annual growth rate stands at 2.1 percent. Estimates are that by the year 2000 the population will total 26,276,000.

Education and Culture

The total number of students registered in the national school system in 1990 was 8,140,000, up 5.6 percent from the previous year. University enrollment stood at 443,000 in 1990.

Health Care

Infrastructure and Manpower. The number of hospitals increased to 368 and the number of beds to 32,434 in 1990. As for medical-care personnel, around 44 percent of the professionals are in Lima, Arequipa, and Ica. In the five-year period from 1990 to 1995 the infant-mortality rate will hit 75.8 per 1,000 live births.

Housing

More housing units were built in 1989 with Fonavi [National Housing Fund] resources, mainly core housing units (8,525). There was a sharp drop in 1990, as 4,441 core units were built.

Labor

During the 1979-89 period, employment posted a growth rate of 2.5 percent, with most jobs concentrated in farming, hunting, and forestry, which in 1989 accounted for 35.6 percent of the total. In this same year another large segment of the work force was employed in the service sector, with 779,000 workers in trade and 792,000 in government services, thus accounting for 26.1 percent of total employment.

Law Enforcement

Crime: A total of 149,000 crimes were reported in 1989, down 12 percent from the previous year. There were 605 cases of illicit drug trafficking, with 2,923 kg, 90 percent of which was basic coca paste. Basic coca paste remained predominant in 1990 with 86.2 percent. As for terrorist attacks, in 1990 18.7 percent of the crimes by subversives were directed against property.

Justice System

In 1989 there was an increase of 9.4 percent in the crime rate over 1988. The inmate population nationwide stood at about 17,698, with 4,187 of them having been convicted and 13,511 still on trial.

National Accounts: An Assessment of Economic Activity in 1990

In 1990 the gross domestic product fell 4.9 percent from the previous year, continuing the downtrend that began in 1988. Thus, output per inhabitant declined for the third consecutive year, dropping to the 1960 level (151.5 intis).

Agriculture

The output of the agricultural sector in 1990 declined nine percent from the preceding year. Assessment of the Gross Domestic Product and Sector Productivity. In

1950 it accounted for 23.8 percent of the GDP, dropping to 14.2 percent in 1970 and to 13 percent in 1990.

Fishing

This sector's GDP in 1990 was down 4.4 percent from 1989. The production of fishmeal stood at 1,168,800 gross metric tons, with 725,600 gross metric tons exported, mainly to West Germany, China, Taiwan, and the United States.

Mining and Petroleum

This activity brought in 70 percent of the country's total foreign exchange from exports, 50 percent from mining and 20 percent from oil. In 1990, exports of traditional mining products generated income of \$1.741 billion, accounting for 44.9 percent of total export revenues.

Construction

The departments that posted the biggest increase in construction in 1990 from the previous year are: Pasco, 7.2 percent; La Libertad, 6.9 percent; Lima, 5 percent; Tumbes, 4.9 percent, and Arequipa, 4.3 percent, among others.

Commerce, Restaurants, and Hotels

These activities posted a negative annual growth rate of 1.8 percent over the past decade, as a result of a significant drop in the availability of goods that should have been produced in the various marketing fields.

Transportation and Communications

The automotive fleet, including towed vehicles (without their own propulsion), has been estimated at 605,550 units. Postal volume in 1990 was estimated at 33.6 million mailings, down significantly, 22.5 million mailings) from 1989, especially in correspondence.

Tourism

Visits by foreigners increased as of 1984, reaching 359,300 tourists in 1988. Tourism declined in 1989 and 1990, hitting 278,300 in 1990, a drop of 16.6 percent from 1989. The drop was due to the lack of security mainly because of terrorism.

Prices

The consumer price index for metropolitan Lima, which is used as an inflation indicator, showed an average monthly rise in 1990 of 43.7 percent, with a cumulative inflation rate for the year of 7,649.6 percent, the highest in Peru's history.

Financial Sector

In late 1990, the actual liquidity in the banking system posted a decline of 53 percent from the level in December of the previous year. Bank loans to the public and private sectors recorded a real decline of 24.1 and 31.1 percent respectively.

Public Finances

As a whole, the nonfinancial state-run enterprises posted a deficit equivalent to 0.5 percent of the GDP, which was smaller than in 1989. The current expenditures of the central government fell 10.8 percent from the previous year, and there was a 41.9 percent drop in pay owing to the wage freeze in the public sector.

Balance of Payments

The international reserves of the banking system in 1990 stood at \$692 million, up 26.7 percent from the previous year. Exports had an FOB [Freight on Board] value of \$3.276 billion, down 6.1 percent from 1989, a reflection of lower exports of mining, fish, and farm products.

Senate Executive Board Members Installed

PY1308123491 Madrid EFE in Spanish
0212 GMT 27 Jul 91

[Summary] Lima, 26 Jul (ANDINA)—Senate President Felipe Osterling Parodi this afternoon swore in Daniel Bocanegra and Santiago Pacheco Beltran as treasurer and assistant treasurer, respectively, of the Senate, and former president Fernando Belaunde Terry as assistant secretary.

The two Senate vice presidents are Eugenio Chang Cruz and German Escalante, while Jose Tomas Gonzales Reategui and Jorge Torres Vallejo are first and second secretaries, respectively.

*** More on APRA Assembly Scheduled for August**

91SM0422B Lima EL COMERCIO in Spanish
(Sunday Supplement) 14 Jul 91 p 2

[Text] APRA [American Popular Revolutionary Alliance] continues to work on its next assembly. Although top leaders are standing firm on the idea that it should discuss just the bylaws and program and above all that the national leadership should not be elected at it, there is a strong movement among the rank and file to hold such elections anyway.

So far, the names of three candidates have been mentioned the most: Luis Alva Castro, Mercedes Cabanillas, and Abel Salinas. The latter is presumably the candidate of Alan Garcia, during whose administration he served as a three-time minister and a foreign-debt negotiator.

If Salinas wins, some APRA members are saying, the party would be under the indirect but effective control of the former chief executive.

Owing to his party ambitions, Senator Abel Salinas reportedly made a special effort to look good in opposing the administration on the Special Economics Commission, which was challenged as unconstitutional and which endeavored to obtain the same status and powers in its field as the Bicameral Budget Commission.

*** Deputies Discuss 'Urban Patrols' Legislation**

91SM0422C Lima EL COMERCIO in Spanish
14 Jul 91 p A5

[Text] Piura, 13 Jul—A forum on "Urban Patrols and Campesino Security" has been held in the Assembly Room of the Piura Provincial Council in this city. It was organized by the Casa Central Institute of Shantytowns and Campesino Communities, which is headed by representative Jose Aguilar Santiesteban.

In attendance were the deputies on the National Defense and Internal Order Commission of the Chamber of Deputies, Oswaldo Garcia Monteblanco, Raul Pereyra Rios, Freddy Ghilardi Alvarez, Jose Aguilar Santiesteban, Jorge Torres Flores, Jose Luis Oliva Sotelo, Victor Andres Garcia Belaunde, and Alberto Valencia Cardenas, as well as the president of the Grau Region, Luis Paredes Maceda, the regional prefect, Hector Martinez, and the city's mayor, Frank McLauchlan.

Speaking at the opening session was Deputy Jose Aguilar Santiesteban, the sponsor of the bill to create the urban patrols, a bill that Congress is now debating. He stated that now is the right time to spur democratic organization, in cooperation with the authorities and the national police, to patrol, clean up, and take back the streets of the city.

For this reason, the government must offer the people the broadest opportunities to become involved so that they will provide their support and form a common front to defeat the crime and barbarism that have swamped our streets. The statistics kept by the Technical Police prove this, because in 1980 72,526 crimes were reported, whereas in 1990 there were 102,210, 80 percent of them crimes against property.

Deputy Aguilar added that if to these figures we add the fact that between January and May of this year alone there were 847 violent deaths owing to common crime and that 736 persons were killed by terrorists, "we will realize the grave crisis that we are going through in our country."

"In short," he indicated, "we citizens must realize that just as there is compulsory military service, we must set up a sort of compulsory civilian service, and if people do not comply, the government will not punish them; rather it will just mean gains for violence and chaos, and that will be their punishment."

The visiting deputies, who represented various political parties, took the floor at the forum. They agreed completely on backing this law to legalize urban patrols and to this end will convey the concerns of the patrol communities in Piura to Congress.

For his part, Deputy Freddy Ghilardi Alvarez indicated that the disagreements that have arisen within the chamber are due to the fact that one group wants the urban patrols to register with the appropriate political

authority, while another group feels otherwise, advocating the autonomy of these patrols.

At this meeting the representatives of the various communities that have campesino and urban patrols in Piura proposed that the same law governing the campesino patrols govern the urban ones. They also called for training the members of the patrols so that they can render better service for the good of the citizenry.

For his part, the president of the Regional Federation of Campesino Patrols, Amalio Paucar, called for the appointment of an ad hoc judge to try whatever crimes patrol members may commit, adding that the injustices that National Police agents commit against patrol members should also not go unpunished.

Meanwhile, the chairman of the National Defense and Internal Order Commission of the Chamber of Deputies, Oswaldo Garcia Monteban, indicated that after arriving in the city of Tumbes, his entourage visited the military garrisons and surveillance posts, and "we were able to see for ourselves that in spite of the existing economic crisis, the members of the garrisons have high morale, good training, and unshakable discipline, which pleased us greatly."

* Shining Path's Anti-Japanese Campaign Analyzed

91WR0276A Lima CARETAS in Spanish
22 Jul 91 pp 38-43

[Article by Fernando Rospigliosi: "The Racism of Shining Path"; first paragraph is introduction]

[Text] Though it may seem incredible, Shining Path's phobia against the Japanese and their descendants, displayed in an EL DIARIO editorial, has striking similarities with Adolf Hitler's totalitarian and fascist thinking. Hitler criticized the Jews, using almost the same language to justify his genocidal actions. That is not all; anti-Japanese racism has a long history in our country. An analysis of this issue follows.

The treacherous murder of three Japanese engineers in Hualar is part of a strategy intended to drive international technical cooperation out of Peru, as many analysts have said. But it also has a racist component, which Shining Path expresses openly in its publication.

The editorial published in the underground EL DIARIO (17 June 91) three weeks before that crime, in addition to the usual attacks on Fujimori, contained a diatribe against the Japanese and their descendants. According to EL DIARIO:

"We know quite well that many pioneering Japanese 'entrepreneurs' only succeeded in Peru by promoting clandestine prostitution in filthy little hotels in the slums or by exploiting poor people through their small grocery stores on every corner in working-class neighborhoods. The best that others could do when they first came to

Peru was to establish barber shops and stores selling odds and ends in poor neighborhoods of Peru's cities."

That absurd and insulting distortion of the history of Japanese immigration in Peru does not even deserve to be refuted. What does deserve an analysis are the motivations inducing SL [Shining Path] to spout that nonsense, and the consequences of its blatant anti-Japanese racism.

Racism on the Part of Whites and Mestizos

When Fujimori came out of nowhere last year to challenge what was believed to be Mario Vargas Llosa's easy victory, signs of racism appeared in the ranks of the Democratic Front. Young "Pitucos" [meaning unknown] harassed people of Japanese and Asian descent.

Fujimori himself took up the challenge, and when speaking in a working-class neighborhood of Lima mentioned Indians and Mestizos who were rebelling against the whites and upper classes.

Leftist analysts were quick to criticize the racism of the upper classes and to praise the Indian, mestizo, and "ethnic" feelings that Fujimori incarnated. Those analyses are only partially true. For racism is a prejudice found not only among whites and the wealthy, but also in mestizos and the poor.

The motivations may differ, but the effects are the same. In one case, racism provides a justification of exploitation and a pretext for perpetuating certain privileges. In the other, it encourages the expression of the hatred and frustrations of the underclass, who have seen people from their own environment move ahead and become relatively well off.

With SL's racism, they are trying to fan the resentment of the mestizo popular classes against people of Japanese descent who, starting in the same socioeconomic background, have now managed to escape from poverty and become prosperous businessmen or successful professionals, like Fujimori.

Specifically, the irrational resentment in the SL periodical is shown when SL concludes its diatribe against the Japanese with a reference to Fujimori: "Running a house of ill repute or a barber shop is not the same thing as governing a country."

In Abimael Guzman's ideology, the Japanese are a sort of inferior race, suitable for menial jobs like running warehouses, small groceries, or barber shops, but not fit to govern a country.

Of course, many of us may disagree with President Fujimori about this or that measure, or about his administration's overall philosophy. But that is a world apart from considering him innately unfit because of his Japanese origin. Guzman has crossed that abyss of racism, resorting to the most obscure meanderings of human irrationality and stirring up the vilest passions.

Striking Similarities

It is obvious that the SL leader has not invented anything. He has only put a new label on an old ideology. For seven decades ago, another obscure person spoke in an almost identical way about another ethnic group.

"In Vienna," said Adolf Hitler in "Mein Kampf," "the relationship of Judaism with prostitution and with the white slave trade could be studied better than in any other city of West Europe." Then he told how "I found Jewish merchants to be cruel, calculating, venal, and shameless."

It is not just by chance that Hitler and Guzman cite similar examples drawn from their feverish imaginations to stir up ill will against an ethnic minority and to feed their political movement with hatred—even though Guzman claims to be poles apart from Hitler. This is an unintended coincidence, and because of that very fact, it reveals their similarities even more clearly.

The similarities between communist totalitarianism and fascist totalitarianism are not news at all. Many studies have been done of this issue in the last half century. But the racist component, explicit in Nazism, was only implicit, buried, in Shining Path. Now it has burst out, violent and blatant.

Many other comparisons could be made between the Nazi doctrine and SL's ideology. Even the words are almost identical, as in this EL DIARIO editorial when the writer speaks of parliament as "made up of vultures" who do nothing "except feed the insatiable appetite of their pockets."

That is not much different from the "lousy parliamentarians whose only purpose is to fill their pockets" (Hitler in "Mein Kampf").

This list could go on. In addition to their explicit aversion for democracy and parliament, they share principles like the "absolute authority of the Fuhrer"—of the "leadership" for SL—the need to inculcate "religious fanaticism and intolerance" in the organization (Hitler), the use of the "method of terror, which will always be crowned by success until it is opposed by another terror of comparable effects" (Hitler), the exaltation of war not as an evil—which may be inevitable, but rather as a purifying and desirable fire.

In the end, it is not worthwhile to compile a long list. We should just remind the reader of the propensity of totalitarian and irrational movements, like Nazism or SL, to grow during crises and at times of severe social breakdown.

Racism in Peru

Anti-Japanese racism goes back a long way in Peru. A recent book by Isabelle Lausent, "Past and Present of the Japanese Community In Peru" (IEP, 1991), describes some incidents.

Between December 1930 and August 1931, during the Great Depression, there were violent demonstrations against the Japanese in Peru. They had come at the end of the 19th century, and had managed to make progress in agriculture and business, becoming the targets of envy and anger on the part of the population.

In May 1940 there were further disturbances, looting, and murders aimed at the Japanese, spurred on by fantastic tales about arms storehouses concealed by the orientals. During the 1950's, the dictator Odria did not conceal his anti-Japanese phobia.

On these foundations of irrationality and barbarity, Shining Path is trying to erect its structure of death and destruction.

In essence, they are trying to target a visible and concrete enemy, in this case, the Japanese colony and people of Japanese descent, so that they will become an object of envy and hatred on the part of some poorer groups. It does not matter that the accusations are absurd, as racism is by definition irrational; racism is the channeling of the frustrations of the masses against some group that is supposed to be responsible.

Shining Path connects this with "Japanese imperialism," which they say is one of the factors responsible for Peru's problems. And of course, with Fujimori, who can easily become a target for popular unrest. This nonsense, though, could have harmful effects on the present situation if it is not stopped in time.

Adding racism among the masses against the Japanese immigrants—and probably against Asians in general—to the many conflicts tearing Peru apart will spur on the process of Peru's Lebanonization.

The most disturbing factor right now is not the racist and totalitarian fanaticism of a handful of demented terrorists, but rather the verifiable fact that every day young people join a movement based on such principles. What level of decadence can we have reached, that this is happening on the eve of the 21st century, when everywhere communist totalitarianism is collapsing and racism is receding, even in South Africa?

EL DIARIO Editorial: A Year of Fujimori's Government: "We Are on the Right Track!" Says the Swine

Exactly one year ago the Peruvian people, forced to go to the polls, had to choose between two candidates: a pompous and foolish dinosaur (Vargas Llosa) and an obscure poor devil (Fujimori); in the end, they voted for the poor devil.

Since then, this servant of imperialism has been ruining Peru and bringing the great masses of the voters, who are now poorer than ever, closer to death.

Along with Fujimori, an entire cast of mediocre and limited second-rate people has come to power; such people can always be found in bars and churches, in

brothels and fish markets. Dense and barefaced ignorance has been enthroned in the state, and the forces of reaction are trying to manipulate the present situation for their own ends.

These reactionaries are the very ones who, after lashing out against the then poor devil candidate—now that he has become “president,” praise him by citing the “enterprising virtue of the Japanese. And Fujimori, being Japanese, will make all of Peru an “Andean Japan.”

Nevertheless, we know quite well that many pioneering Japanese “entrepreneurs” only succeeded in Peru by promoting clandestine prostitution in filthy little hotels in the slums or by exploiting poor people through their small grocery stores on every corner in working-class neighborhoods. The best that others could do when they first came to Peru was to set up barber shops and stores selling odds and ends in poor neighborhoods in the cities, while in the rural areas others extended their dominion by growing sugar cane and other crops.

But running a house of ill repute or a barber shop is not the same thing as governing a country, even when it is hitched to the carriage of the upper bourgeoisie, now isolated in their walled gardens surrounded by high voltage electric fencing, as if that were a sufficient shield to protect them from the people’s anger.

Those who—like the revisionists—supported and voted for the poor devil (who now says he is “personally” taking over the operational command of the campaign against subversion), will certainly learn through experience the effects of his dismal and unfortunate election. They have a parliament consisting of vultures who will stop at nothing. A parliament that never does anything, except feed the insatiable greed of its bottomless pockets.

“We are on the right track” is the boring refrain spouted by the lackey Fujimori in response to people who ask what he plans to do. But everyone, except for the wealthy monopolists, knows what that “right track” means: a track strewn with the cadavers of starving children and their unemployed suicidal parents.

They are on the right track, that is true, but only for the imperialists and their enterprises like Texas Crude, Occidental, and for the [word illegible] and vile ministers like Sanchez Albavera who, acting in complicity with the corrupt comptroller Aurea Saenz, are preparing to raid the National Reserve of Pacaya-Samiria, a criminal deed that the people will not forget; when the time is right, the people will apply the punishments of Popular Justice for this crime.

The time of reckoning is inexorably approaching.

The cretinism of the reactionary sector means that its public announcements shout to the skies that “a harsh blow has been struck against subversion.” Nevertheless, despite all the “harsh blows” they have proclaimed, the popular war is growing stronger and is advancing toward

victory, a victory against this entire system which is full of so many “right tracks” leading toward immorality and corruption.

The “harsh setbacks” that the henchmen of reaction say they are inflicting on the Communist Party of Peru are nothing but the hallucinations of those who are soon about to go under.

Kawata, Ostracized by Abimael Guzman

Luis Kawata Makawe, of pure Japanese ancestry, was born in Ica in 1940. He completed his elementary and secondary education in Ica and then went to Ayacucho in 1960. At the university there, San Cristobal de Huamanga, he studied industrial chemistry. But without completing his studies, he began teaching there in the mathematics department.

In 1973 or 1974 he became friends with Abimael Guzman Reinoso, and then went to Lima to teach in the Ricardo Palma and San Martin de Porres universities. He returned to Huamanga in 1976 and joined the Revolutionary Student Front, coming from, of all things, the National Union of Catholic Students.

Guzman persuaded him to join what was then the embryonic stage of Shining Path. Once inside the organization, he was sent to Huancayo, where his time was divided between teaching and political work. From that time date the disputes with people like Durand Araujo, Osman Morote, and Guzman himself, about the form of action and the start of the armed conflict. Finally he was expelled, accused of being a revisionist. He was then arrested by Dircote [Counterterrorism Division], but was finally cleared and released from jail.

When questioned by judicial officials, he denied any connection with Shining Path. And it is likely that at the time he said that, it was the truth.

He is now living in Ica, teaching and active in a social club. He and Nicolas Matayoshi are the only Japanese known to have been accused of belonging to Shining Path or to related groups. The judiciary has not been able to prove anything. Has SL been anti-Japanese ever since its origins?

Claims To Wage ‘Just War’

PY1308144091 Lima EXPRESO in Spanish
4 Aug 91 p A-11

[Text] In its latest editorial, EL DIARIO, the unofficial mouthpiece of the Shining Path, has stated that there is no dirty war. The editorial refers to the charges leveled by several Peruvian political sources and media. It states that “a just war is being waged by the Communist Party of Peru and an unjust war is being waged by the reactionary sector.”

The editorial adds that “the reactionary sector (including the MRTA [Tupac Amaru Revolutionary Movement]) is waving the human rights banner against the people’s

right to rebel. [quotation marks as published] Human rights, the editorial says, "are based on a bourgeois concept of the world," which focuses on the individual.

The editorial concludes by saying that the people no longer believe in reports of human rights violations, adding that "there is no room for intermediate positions."

To 'Sabotage' 500th Anniversary

PA1308155291 Paris AFP in Spanish
2132 GMT 11 Aug 91

[Text] Lima, Aug 11 (AFP)—Jorge Mujica, the Shining Path (SP) representative in Madrid, made statements that were published in a Lima magazine today. He reaffirmed the SP's decision to sabotage the 1992 festivities to commemorate the 500th anniversary of the discovery of America because it considers that this event was "large-scale genocide."

"We do not agree that this event be celebrated with so much show and ostentation. The thousands of millions of pesetas that will be spent should be used to help our nations and to restore the harmony we have lost," the Peruvian Mujica stated.

Mujica asserted that during the celebration "we will demonstrate and will take a stance. However, it will not be one of negative violence because this will not help the Spaniards of today, who love us and who are not responsible for events that occurred five centuries ago."

Mujica, who said he used to be a Peruvian policeman and a bodyguard of former President Fernando Belaunde during his first 1963-68 administration, said he freely runs an office for the Maoist organization in Madrid and that other offices exist in France, Holland, Belgium, and other countries.

"I formed a support and solidarity committee with the Peruvian people's war as soon as I arrived in Madrid. I have denounced crime and reported the glorious actions of the people's guerrilla army," Mujica reported.

He also said that his objective is to attain support and international solidarity to be able to "get away from the capitalist yoke and the oppression of corrupt politicians and thieves who steal, exploit, rape, and murder with impunity and the total acquiescence of all the governments we have had."

Mujica said he gets the necessary documents for Peruvians who want to take refuge in Spain and added that he has managed to unite the Peruvian immigrants who now "do feel a commitment with this struggle."

"I have also obtained the support of the Spanish Communist Party and of the Spanish youth, too," Mujica stated.

The self-described SP member was arrested in Lima, together with Osman Morote—the man thought to be the number-two man in the terrorist organization—on 12

June 1988. Morote is currently serving a 25-year sentence for the crime of terrorism.

Prior to living in Madrid, Mujica visited Chile, the United States, and other countries. Apparently, he also promoted and reported SP activities in these places.

Infiltrates Government Circles

PA1308155391 Paris AFP in Spanish
0049 GMT 12 Aug 91

[Text] Lima, 11 Aug (AFP)—A high-ranking police chief has said that "the dangerous infiltration by the Shining Path rebels into government circles" is what enabled the destruction of the utility towers and other similar actions in the past months.

Luis Vega, president of the National Association of Industries (SNI), reported a few days ago that 20 businessmen have been murdered in the past 24 months by terrorists who have infiltrated the factories, conducting sabotage actions and forcing the industrialists to pay large sums in extortion money.

General Hector John Caro, head of the Counterterrorism Division (DIRCOTE), has stated that the recent arrest of Shinning Path coordinator Isabel Moreno, 23, a worker at the National Institute of Planning (INP) "discloses the infiltration at high government levels." Documents relating to the nationwide power installations were found on Moreno at the time of her arrest.

General Caro said: "The information in these documents is only handled by high officials of the Electro-Lima or Electro-Peru (state-run) power companies, adding that Shinning Path's access to this information had facilitated the recent blowing up of the utility towers, which left 70 percent of Lima without power.

John Caro warns that similar strategic and internal security documents, such as those regarding the potable water system, sewage, telephone network, and others could very well be in the hands of the top leadership of the Shinning Path.

Shinning Path member Moreno was arrested with two other members—one of them, Ursecino Ramirez, was former adviser to Senator Carlos Malpica, from the United Left party (UI)—at a home at the Lima neighborhood San Juan de Lurigancho. According to Caro, the three of them had "secret" documents on them.

Gen. John Caro, who said that those arrested had been put under the orders of the prosecutor on duty, reported on the discovery of a computer in which the Shinning Path members had recorded all their actions, the damage caused, and the maps of state and municipal installations.

Meanwhile, Defense Minister General Jorge Torres Aciego, confirmed on 10 August that 61 military officers—44 from the Army and 17 from the Navy—had been discharged and put at the disposal of the judicial system

charged with human rights violations, although he did not specify if these violations had been committed throughout the decade-long antirebel struggle or during the past few years.

The defense minister also admitted that cases of indiscipline in the Peruvian Air Force (FAP) are being investigated, while he admitted that the antirebel struggle will continue for some time longer. The high-ranking military official noted that "the 11 years of internal war" has caused 23,000 deaths and more than \$18 billion in economic losses.

*** MRTA Dissidents on Polay's Authoritarianism**

91WR0275A Lima CARETAS in Spanish
15 Jul 91 pp 42-45

[Interview with Dissident Tupac Amaru (MRTA) Central Committee members Comrades "German" and "Ricardo"; place and date not given]

[Excerpts] When Victor Polay Campos escaped from Canto Grande through an underground tunnel, he reclaimed the leadership of the subversive organization. Serpa Cartolini, who had held the post after the so-called Commander Rolando was captured at a tourist hotel in Huancayo, resisted at first, but ended up accepting in exchange for an important "little post" in the fertile valley of Huallaga. "German" at that time was general coordinator for the whole MRTA (Tupac Amaru Revolutionary Movement), and because he opposed Polay, he lost his high rank. Here is his version of the internal dispute. [passage omitted on how CARETAS reporters established contact with several MRTA dissidents]

MRTA insurgents led them quickly into a rural cabin, with a few rough spots in the first passage, a reed roof held up by rough wooden beams, and adobe walls, boarded and painted. On one of the walls, 3 by 2.5 meters, was a huge mural depicting Tupac Amaru encircled by people, flags, and painted symbols. Flanking it was an MRTA pennant and a table with a camera and a grenade, all of them surrounded by 10 individuals who wore hoods or bandanas over their faces. The protest songs of Martina Portocarrero issued from a cassette player, some of them including poems by Edith Lagos (a Senderist contrast in an MRTA enclosure).

In the middle was "German," wearing a uniform and equipment. He began a harangue "in the name of those who fell in the last offensive" and in celebration of the first anniversary of the escape from Canto Grande Prison.

After finishing his prolegomena, "German" introduced himself as the top leader of the MRTA in the north, member of the Central Committee and of the "expanded national leadership" of the organization. Another member, "Ricardo," covered his right flank, while "Lucho," in charge of the middle northern region, guarded his left flank.

The dialogue began immediately.

[CARETAS] Why did you decide to break your silence on the differences of opinion within the MRTA?

["German"] We have tried to resolve these differences internally, but some things happened that I will tell you about in this interview, and that forced us to make our problems public.

In the first place, there is the matter of the program. We feel that part of the leadership, led by Comrade "Rolando," has abandoned the struggle for socialism and replaced it with a "neo-Aprist" revolutionary nationalism dating back to the 1920s.

The other matter is one of strategy: the abandonment of the idea of seizing power in our country through the armed struggle.

And finally, the most important thing is that "Rolando" is leading our movement in an authoritarian and domineering manner. He has even gone so far as to snatch on people and turn them in. He uses the weekly publication CAMBIO for that purpose. In addition, I want to make it known that he has sent two commissions to kill me, and therefore I blame Rolando and Alejandro for whatever happens to me in the future, since they have given the order. I would also like to be given an opportunity at the next congress to announce which comrades were chosen to perpetrate this crime, which has nothing to do with the revolutionary struggle. (On 13 June 1991, an item appeared in the mouthpiece CAMBIO claiming that "some miscreants have been demanding payment of dues and kidnapping businessmen in the Huacho and Humaya areas, using the name of the MRTA. And they use the proceeds from this extortion strictly for personal ends...the perpetrators of these deeds are reportedly the Davila Torres brothers.")

They were, in fact, the mid-level commanders of the MRTA in that area. They had participated in the ambush of the Army in the Huacho area, which resulted in the death of six soldiers, and were in "German's" column. It was clear, then, that CAMBIO was "fingering" them, and it was apparently done on orders from Polay himself.

[CARETAS] In a pamphlet you have distributed among the public, you say that these problems arose nine months ago. Could you explain to us how these differences came about?

["German"] After the III Central Committee, the membership thought that the Party was going to have a great leadership with major qualitative advances. Although most of the program is being carried out in a positive manner, "Rolando" has launched a campaign to entrench himself and his friends in power, placing comrades who had been punished for ineptitude and incompetence in key positions so that they can control the Party. The objective is to control the Party with unquestioning people.

We think that the original idea of collective decision-making has been abandoned. It was proposed at the meeting that this concept be reinstated in the system. We think the system should be more integrated. Otherwise, there would be a complete abandonment of the Party's foundations, which are Marxism-Leninism.

[CARETAS] Would one example of Polay's authoritarianism be the appointment of "Alejandro" to the Central Committee, replacing you in the north, even though he was punished previously? How did the Committee react to this?

["German"] Comrade "Rolando" merely informed the Committee that Alejandro had earned the privilege of belonging to it. But the members of the Committee neither approved Alejandro nor said anything. They left things the way they were, for lack of sufficient information. I protested, but I was not allowed to speak.

[CARETAS] That means that the majority of the members of the Central Committee are with Victor Polay Campos. Do you fear being isolated?

["German"] No, because in principle Comrade "Rolando" controls all military and economic matters and the Party's resources, and he does not help us at all. But what is essential to us is the political and ideological aspect. As soon as there is a majority on the Central Committee, this matter will be discussed at the congress.

[CARETAS] When will that congress be held?

["German"] Theoretically it is scheduled for late this year, and we are making that fact public so that it will not be postponed.

[CARETAS] You have not been invited to attend, you are isolated?

["German"] They are probably trying to hold a congress that will finger people, and for that reason they do not intend to invite us.

[CARETAS] How many more, aside from your group, will be excluded from the congress?

["German"] An effort is being made to change certain command structures in certain areas so they can put in unquestioning people. So wherever they do not find such people, they will not issue invitations. They tried to do that here, too, but we did not agree to it.

[CARETAS] But is anyone else being replaced?

["German"] No, in other places Polay has managed to smooth things over. In my case, he removed me from an important leadership position in the Central Committee and sent me here. Then he tried to reorganize all the intermediate cadres, but I refused to accept it.

[CARETAS] In that context, what do you think is odd about the capture of Galvez Olachea?

["German"] Several days earlier we held a meeting with all the comrades. The "enemy" could have raided us at that time, but they did not, not until the next day. This raid benefits Comrade "Rolando," no doubt about it.

[CARETAS] And what about "Ricardo," who was taken with a million dollars?

["German"] He was not taken with any money. As chief of the northeastern front, he also opposed "Rolando," and his capture should certainly be cleared up, like so many other things. The matter of the million-dollar campaign, a trick to destroy Ricardo politically, should also be explained.

[CARETAS] And what about Polay's position of laying down weapons and becoming legal, like Colombia's M-19 [19 April Movement]?

(The other "Ricardo" intervenes) That is not a majority position. The rank and file and the regional and military commanders are discontented. Power has been concentrated at the top, and that represents a threat to the great plan of the MRTA. It is a strategy of defeat. There would be no way out here. The minimum conditions that we require for moving on to a process of pacification must necessarily include the defeat of Shining Path. Laying down arms under the present circumstances would result in more violence because it would lead to the growth of the Shining Path. And the same will happen with the Armed Forces. We believe that everyone should give up first, but all together. We are willing to engage in dialogue with the Armed Forces, with the Church. We believe that this government does not have any moral strength, but at least there are various sectors with which we can begin a dialogue. We are hoping that the Peruvian church, both the Catholics and the Evangelicals, will echo our sentiments, and we think even the Society of Industries should be willing to talk to us, because under these conditions it is impossible to produce (!), to work from the business standpoint (!).

In this context, we are prepared to defeat Shining Path politically and militarily, as we have done in this region, where we have eliminated more than 60 Shining Path commands. This would be our contribution to the pacification of the country. But the road to dialogue should be made easier; there should not be total opposition, as there is in the government and the Armed Forces.

Photo Captions

1. p. 42 (upper right) Since September 1990, Polay has been placing people who will obey him unquestioningly in high-ranking positions of the terrorist organization.

2. p. 42 (lower center) Galvez Olachea's capture was reportedly made possible by information provided by the Polay people.

3. p. 44 (upper right) The interview was carried out with the classic cloak-and-dagger tactics usually employed by the subversives in these cases. Another member of the Central Committee, "Ricardo," also participated.

4. p. 44 (lower right) "German" appears to be about 30 years old. He claims to have been one of the founders of the MRTA.

5. p. 45 (upper left) "Siciliano" [member of radical MRTA faction]: Peter Cardenas Schulte, aka "Alejandro," was punished by the Party for facilitating the capture of high-ranking members of the MRTA leadership, when he was arrested for the first time in 1987. He was demoted to private. But when Polay escaped and took over as top leader again, he made "Alejandro" his right-hand man. Cardenas is in charge of perpetrating not only selective crimes, but also those involved in the internal struggle. Eliminating "German" was one of the "little jobs" he was given.

SNI Head on Threats of Subversive Groups

PY1308123691 Lima EXPRESO in Spanish
3 Aug 91 p 8

[Excerpt] Luis Vega Monteferrí, the president of the National Association of Industries (SNI), yesterday advised entrepreneurs not to pay fees nor yield to blackmail threats by subversive groups because "we will never end terrorism if we are not brave."

"We must publicly report infiltration and terrorism because if we yield to threats, we will only encourage sedition," Vega said. He pointed out that the attacks against enterprises not only cause property damage, they also threaten the lives of the workers and their work places. [passage omitted]

*** Critical of Proposed Taxes**

91SM0422D Lima EL COMERCIO in Spanish
16 Jul 91 p A11

[Text] The president of the National Association of Industries [SNI], Luis G. Vega Monteferrí, an engineer by profession, yesterday called for a lowering of the general sales tax (IGV) to 5 percent and a broadening of the tax base from 200,000 to 1,000,000.

Vega Monteferrí, who made statements at Jorge Chavez Airport shortly before flying to Bogota and Caracas, cities in which he will sign mutual-cooperation agreements with associations similar to the SNI, said that the budget deficit, which is running close to \$50 million a month, could easily be covered with a \$2 a day payment from the 1 million visible street vendors, since, he added, there are also powerful, hidden street vendors.

The SNI president stressed in his remarks to newsmen that if the IGV is raised to 18 percent, as is intended, smuggling and the recession would become unimaginably worse.

He added that he proposed the idea of lowering the IGV to 5 percent and expanding the number of taxpayers to 1,000,000 last Thursday before the congressional commission chaired by Abel Salinas, who is also an engineer.

Referring to the measures ordered by the administration for the industrial sector, Vega Monteferrí indicated that a new horizon can be glimpsed after a very difficult period, but he did not hide the fact that the SNI is now up against a new challenge: international competition.

"Peruvian industry has to win markets through high-quality products at competitive prices and with timely delivery," he added.

He admitted that small- and medium-sized industrialists are facing a serious problem because of the slow industrial reconversion. He also called for a realistic exchange rate, the utilization of our natural resources, and the promotion of new job opportunities. He emphasized that domestic industry needs technology and heavy investment and must be decentralized.

At one point in his remarks he made mention of Zotac [Tacna Free Trade Zone], indicating that it may have been created with good intentions but that now it has become a dangerous source of contraband, because the \$3,000 a year in purchases to which each citizen is entitled have been overshadowed by the merchandise that arrives by the station-wagon load in Lima and is distributed among the thousands of street vendors. This is where the problem lies, he contended.

Roundup of Terrorist Activities 28 Jun-6 Aug

PY1308182091

[Editorial Report] Following are reports on terrorist activities in Peru compiled from Peruvian papers published between 28 July and 6 August. Publication information is given in parentheses after each item.

The General Police have arrested two alleged members of the Tupac Amaru Revolutionary Movement, who sent letters to well-known Lima industrialists and businessmen, in which they threatened to kill them and demanded huge sums of money. [Lima EL COMERCIO in Spanish 28 Jul 91 p 14]

A group of terrorists shot and killed six peasants in the Checche and Huarocopata townships, 20 km south from Andahuaylas, near the Huancabamba airport. [Lima EL COMERCIO in Spanish 28 Jul 91 p 14]

Subversives who had declared an 'armed strike' in the Huancavelica Department have shot and killed two engineers from the Caudalosa mine in Huancavelica, some 80 km from the road linking Huancavelica with Pisco. [Lima EL COMERCIO in Spanish 3 Aug 91 p A 12]

On 4 August, alleged Shining Path terrorists hurled incendiary bombs at a bus repair shop burning 14 buses that were used to transport some 800 workers and employees to 17 factories in Lima. The attack, which occurred in the Lima District of Santa Anita, did not cause any casualties but property damage worth some \$350 million has been reported. [Lima LA REPUBLICA in Spanish 5 Aug 91 p 27]

Uruguay

Accord Signed With Iceland Ends Need for Visas

PY1308133191 Montevideo BUSQUEDA in Spanish
9 Aug 91 p 12

[Quotation marks as published]

[Text] At the Uruguayan Foreign Ministry yesterday morning, Icelandic President Vigdis Finnbogadottir and Uruguayan Foreign Minister Hector Gros Espiell signed an agreement allowing travel to and from both countries without visas.

The visiting Icelandic president said that her country will cooperate with Uruguay, especially in the fishing sector. For his part, Gros highlighted the agreements in the cultural, technical, and economic areas.

"One of the main agreements refers to the elimination of visas for travel between Uruguay and Iceland. We believe that the document is very important for promoting human contact and bilateral relations between the two countries.

He added that Uruguay and Iceland are two small, democratic countries with a strong will to build a future of development, peace, and security on the basis of common ideas and common philosophical foundations, in which man is the focus of political action. "That is why we hope this agreement will promote contacts between two countries that are so far away from each other, one at the northern end and the other almost at the southern end, yet both with possible similarities in their internal development and foreign policy," Gros said.

Concerning the agreement, he said it is "a memorandum of understanding" that eliminates the visa requirements, and which also refers to future agreements that are being negotiated.

"We are negotiating a cooperation agreement in the cultural field and in science and technology. This agreement can be very important for the future, especially in the economic and industrial areas, in which Iceland has exceptional experience in the fishing sector," the minister said.

He recalled that fishing is one of Iceland's main economic resources and that "Uruguay also operates in the fishing sector and has unlimited potential."

The minister invited the visitor to maintain closer contact concerning the economic and agricultural and livestock policies of both countries in order to deal with powers—especially European powers—having the same interests.

Foreign Minister To Sign Trade Agreement

PY1408013691 Montevideo Radio Carve
in Spanish 0000 GMT 14 Aug 91

[Government news by Lino Torres]

[Text] After a meeting with the president of the Republic, Foreign Minister Hector Gros Espiell was appointed as a plenipotentiary to sign in the name of the Republic an agreement between the governments of Argentina, Brazil, Paraguay, Uruguay, and the United States establishing a Trade and Investment Council.

In addition, the Iranian deputy foreign minister and the co-directors of the EEC-Rio Group formation program, who will be visiting our country in the second half of August, have been declared official guests.

Armed Forces Improving Materiel Despite Budget

PY1308183091 Montevideo BUSQUEDA in Spanish
8 Aug 91 p 12

[Text] In spite of budget limitations, the three Armed Forces branches are seeking to improve their arms and equipment, in some cases negotiating the purchase of new elements and in others reconditioning used units.

While the Army is modernizing its M-41 tanks and renewing uniforms and other equipment, the Navy is studying the possibility of purchasing four auxiliary ships that belonged to the East German fleet. The Air Force has confirmed the purchase of six Swiss-made "Pilatus" training planes and is negotiating with the United States the purchase of two C-130 Hercules transport planes.

The Army now has 22 U.S.-made M-41 tanks which are being reconditioned with technical support from Brazil.

The M-41 Walker and Bulldog light tanks run on tracks. They were manufactured at the end of the 1940's and were used in the Korean and Vietnam wars. They weigh some 23 tons and were originally armed with a 76-mm cannon. These were then replaced by a 90-mm cannon and modernized and repaired in Europe. This tank has a six-cylinder, 500 HP, gasoline-run engine that can propel it at 70 km per hour on highway.

The M-41 tanks purchased by Uruguay from Belgium are now undergoing several changes: replacing the gasoline-run engine and modernizing the electrical and communications systems.

The Army also has 17 U.S.-made light M-24 "Chaffee" tanks that run on tracks and weigh 18.37 tons. They were purchased in 1958. They began service in 1944, and have a crew of five. They are armed with 75-mm cannons and with one 7.62-mm and one 12.7-mm machine gun. The Army also has 28 tracked M-3 A1 light tanks, manufactured in the United States in 1941. These tanks are practically obsolete. They weigh 13 tons and are not very practical. It is difficult to find ammunition for their old

37-mm cannons; they have a 7.62-mm coaxial machine gun, and four others of the same caliber. Each tank carries a four-men crew and its weight in combat is 13 tons. The British called them the "Stuart."

Reconnaissance Units: The Army has 15 Brazilian-made Cascavel tanks, each armed with a 90-mm cannon and one or two 7.62-mm machine guns; 18 EE-3 Jararaca, an armored transport vehicle purchased from Brazil in 1980, each capable of carrying six men.

Troop Transport: In 1971 the Army purchased 15 M-113 amphibious vehicles on tracks with roof-mounted machine guns. They can carry 15 men in addition to the crew; The Army also has 50 "Condors," a modern German vehicle purchased in 1980. They are amphibious, with four wheels and a "Daimler-Benz" engine, and weigh 12 tons. They are capable of transporting 10 soldiers in addition to a crew of two.

Towed Artillery: The Army has 12 75-mm M-1902 Bosfors; 25 105-mm M-101 A1; 5 155-mm M-114-A1; 40 81-mm M-1; and 5 4.2 inches (105 mm) artillery units.

Recoilless Cannons: 30 57-mm M-18; 10 M-40A1.

Antiaircraft cannons: 6 20-mm M-167 Vulcan; 2 40-mm L/60.

Missiles: Uruguay has about a dozen of the French-German portable Milan antitank missile and five launchers. It also has computerized training units for instructing troops without having to really launch the missiles.

Navy

The Navy is studying the possibility of purchasing four auxiliary vessels from the ex-East German Navy to enhance its control of territorial waters, official sources have said.

Over the past few years, the Uruguayan Navy has purchased three frigates from France that replaced the destroyers "Artigas," "Uruguay," and "18 de Julio." Uruguay also added to its Navy the Coast Guard vessels "Colonia" and "Rio Negro," that were donated last year by the United States.

The Navy also has the corvette "Pedro Campbell," recently remodeled and which travels to the Uruguayan base in the Antarctic; the patrol boats "15 de Noviembre," "25 de Agosto," and "Comodoro Coe;" the Coast Guard vessels "Paysandu" and "Salto;" the mine-sweepers "Rio Negro" and "Vanguardia;" the Buoy-Tender and rescue ship "Huracan;" Buoy-tender "Sirius;" Tanker "Presidente Rivera;" and training vessel "Capitan Miranda."

The Navy also has an air naval force with six antisubmarine planes (5 S-2); one "Super King Air" 200 T; eight

training planes (two T-28; two T-34 B; two T-34-C; and two TC-45) and four helicopters. Some of its units are out of service.

Air Force

Having rejected the Brazilian "Tucano" planes, the Air Force decided to purchase six Swiss-made "Pilatus" PC-7 planes (see BUSQUEDA No. 598, p 5).

These are turbo-prop basic and advanced training planes for navigation, reconnaissance, acrobatics, ground attack, air support, search, rescue, and other various missions. The first models were manufactured in 1966 and sold in series as of 1975. Their maximum cruising speed is 364 km per hour at an altitude of 6,095 meters, and they can carry up to 1040 kg of war materiel. By the middle of the 1980's, a new model of the "Pilatus" appeared: the "PC-9," which has a more powerful engine and ejector seats.

The Air Force is also considering purchasing a pair of heavy transport Lockheed C-130 "Hercules" aircraft manufactured by the United States. The versatile "Hercules," one of the major post-war aviation successes and it has been purchased by at least 50 Air Forces throughout the world. It has four turbo-prop 4,500 hp engines and can reach 566 km per hour. It is 30 meters long and has a wingspan of 40.41 meters. It has a range of 8,000 km and can carry almost 20 tons of cargo, or 90 soldiers, or 74 berths for health missions.

The Uruguayan Air Force has 10 combat "Dragonfly" A-37 aircraft; 8 AT-33; 6 "Pucarás;" 7 training AT-6A airplanes; 24 T-34 A/B; and 6 T-41 D.

It also has two transport "Aviocar," one "Bandeirante," and others. The F-27 "Fokkers" and the "Fairchild" are out of service.

Venezuela

Defense Minister Visits Border With Colombia

PA1008173091 Caracas Venezolana de Television
Network in Spanish 1600 GMT 8 Aug 91

[Report from Castilletes border post by correspondents Richard Villa, Tulio Aponte, Tobias Raga, and Martin Pacheco; date not given—recorded]

[Text] Defense Minister Division General Fernando Ochoa Antich has reiterated that the defense of Venezuelan borders is a top priority in his office. Defying risks and dangers, but with a singular disposition, these men are the permanent guards of the nation and guarantors of our sovereignty. Drug trafficking, contraband, control of illegal residents, subversion, are just some of the problems that require immediate attention. To fulfill these goals and to monitor the true situation on our borders with Colombia in Zulia State, Defense Minister Fernando Ochoa Antich, Pedro Remigio Rangel Rojas, Armed Forces commander division general; and Fredis

Ventura Maya Cardona, National Guard commander inspected the southern Maracaibo Lake. Two fighter battalions have been created and will be deployed shortly in El Casibio, Alto de Cupo, and Guayabo.

They are elite forces called Task Force Group 1.2 and are specialized in guerrilla warfare. Their responsibility is to control the border areas and reduce criminal actions, especially abductions, which have increased in the area. Super Puma helicopters mobilized the top command group in the border areas. Pedro Segundo Molero Romero, First Infantry brigade commander; Richard Salazar Rodriguez, 11th Division commander general; and Egberto Fidel Artusa Delgado, regional Maracaibo commander will be responsible for the coordination of the program at the border posts and for the effective operation of the recently created groups.

[Begin Defense Minister Fernando Ochoa recording] We have given the Armed Forces Intelligence a new orientation. We are going to create an organization that is more centralized and from where we can actively coordinate both our intelligence and military operations in the area. [end recording]

Later the group visited the northern border posts. These are: Castilletes, where our border begins; Paraguypoa, where the fierce sun forces superhuman efforts; Cerro El Indio, where subversion makes the men sleep with open eyes; and Fuerte Mara, where light and armoured infantry units are stationed.

Only Public Transportation Affected by Strike

PA1308014491 Caracas Venezolana de Television Network in Spanish 1600 GMT 12 Aug 91

[Report by Martin Pacheco]

[Text] A strike, which was scheduled to start at 0600, only affected public transportation, that is, all the bus lines that heed orders from the Transport Workers Federation [Federacion de Trabajadores del Transporte]. It did not affect independent bus lines and vans serving trunk highways and the metropolitan area. If there was a problem, it was the crowds of people who were looking for a means of transportation and could not find buses.

The Caracas Mayoral Office assigned 11 vehicles to serve the so-called popular route between Propatria and Chacaito throughout the day. It assigned 38 vehicles from the free school transport service to serve various routes, including Macarao, El Valle, Avenida Sucre, Plan de Manzano, and Casalta.

The announced strike turned into a political conflict between the federation, which is headed by Lucas Perez, and the Single Union of Independent Vehicles [Central Unica de Autos Libres y Por Puesto]. The latter accepted the government and mayoral office's proposal not to strike but to discuss, beginning tomorrow, the possibilities of reaching an agreement to review current fares.

This move could also lead to a government offer to review the sale of tires and lubricants at special prices.

Important contacts at the highest levels are currently taking place among the national government, Transport and Communications Ministry, federation of workers, mayoral office, and the municipal council's transport commission to find a definitive solution to involve all bus lines in the next few hours and to resume work at departmental capitals where services were paralyzed today.

Government Makes Proposal

PA1308161791 Caracas Venezolana de Television Network in Spanish 0000 GMT 13 Aug 91

[Report by Diana Iturriza from Miraflores Palace]

[Text] On the evening of 11 August President Carlos Andres Perez summoned to Miraflores Palace the ministers of interior affairs, labor, and transportation and communications; the governor and mayor of Caracas; labor leader Lucas Perez, who is president of the transportation federation; and members of that union's executive committee.

The official proposal or offer is as follows: The government is studying the possibility of making a single and extraordinary disbursement to cover in advance the total annual payment that employers, who are also transportation workers, make to the social security system.

As you know, the Executive Branch incorporated these workers into the system and is now studying the possibility of considerably lowering the percentage of payments that they must make to the social security system in subsequent years.

The transportation union received the guarantee that the half fare will not change and that the government, in certain cases, will absorb any differences. The government also proposed the adoption of mechanisms via FONCOFIN [not further identified] and transportation cooperatives to allow them to import spare parts at considerably lower prices.

The government approved the temporary import of vehicles under preferential treatment, according to Labor Minister Jesus Ruben Rodriguez.

[Begin Ruben Rodriguez recording] We also agreed to study the possibility of facilitating the import of 3,500 collective transportation units, such as taxis and other vehicles, under special conditions, for example, at very low import duties. These are special measures to lower cost.

We also agreed to study the possibility of importing 1,500 buses, that is, those used to cover the trunk highways and neighborhoods, also under special conditions. [end recording]

Meanwhile, Roberto Smith, minister of transportation and communications, said the strike was only very partially successful and that, to a certain extent, it

constituted a defeat for those who called it. He added that the government's current offer is good and to a great extent meets the union's demands:

[Begin Smith recording] With this government offer we hope that the transportation federation will reconsider its position, that it will assume a conscientious position, that it will realize that 80 percent of citizens believe this strike is unjustified, and that it will end it. [end recording]

As for the percentage of the increases, the transportation and communications minister said that each mayoral office will establish its own.

The government is willing to continue talks with the union to reach agreements. There was even talk about several meetings possibly tonight [12 August]. A commission that will be tasked to join the Venezuelan transportation federation in studying all these official proposals will be installed tomorrow [13 August] at 1700 at the labor minister's office.

*** Government Plans Periodic Bolivar Devaluations**
91P40404A Caracas EL DIARIO DE CARACAS
in Spanish 19 Jul 91 p 20

[Text] The government soon will implement periodic devaluations of the exchange rate [of the bolivar] in order to prevent sharp drops in its value, as have occurred recently. This action should avoid an overvaluation of the bolivar as well.

This idea will be discussed by the economic cabinet in the near future. If the plan is approved, it would be implemented through the Venezuelan Central Bank [BCV]. Periodically the intermediary institution would announce the exchange rate, which would be fixed according to the differential between internal and external inflation rates. The timing of these rate fixings is one of the details to be defined, although it is estimated that the exchange rate would be set weekly or monthly.

This process of periodic devaluations or "crawling peg" [preceding phrase in English] (meaning gradual stability), was actually one of the elements of the exchange rate policy of Carlos Andres Perez's economic team during his presidential campaign. At that time (late 1988), exchange rate unification was announced as an objective, and it was decided that parity would be achieved in this way.

One of the very reasons given to explain the sharp fluctuations registered in the currency's value lately is that devaluation had been held back for too long. If, over the last couple of months, small devaluations had been allowed and the BCV had intervened in the market less actively, the situation would have been different.

Another factor which is considered to support the "crawling peg" mechanism is that it would discourage

currency speculation, since there would be definite information concerning the devaluations to take place. Several members of the economic cabinet use these reasons to promote the approval of this process.

As far as the estimated exchange rate for the end of the year, a rate of around 62 bolivars to the dollar is considered to correspond with a devaluation which reflects the differential between internal and international inflation rates.

Guyana

Racism, Violence Charges Against PPP Renewed
FL1208130191 Bridgetown CANA in English
2047 GMT 11 Aug 91

[Text] Georgetown, Guyana, Aug 11, CANA—President Desmond Hoyte, continuing cross-charges of racism with the main opposition here, has said the People's Progressive Party (PPP) is inciting East Indian resentment by charging that the government discriminates against East Indians. Hoyte told a news conference Friday that when the traditionally-East Indian-backed PPP accuses the People's National Congress (PNC) government of discrimination against East Indians, it really tells East Indians: "These black people are oppressing you."

PPP leader Cheddi Jagan at a Thursday news conference challenged Hoyte's statement to a party rally that a PPP campaign document demonstrates the PPP is racist by promising, among other things, to shrink the military and seize assets of certain persons if it wins elections due by yearend.

"I reject these charges as being totally false and mischievous and I dare Mr. Hoyte to produce the so-called PPP campaign document which contains these ridiculous and malicious plans," Jagan said.

At Friday's press conference, Hoyte backed his claims by circulating copies of a letter apparently signed by former broadcaster Keith Barnwell and addressed to Vic Insanally of a public relations firm linked to recent promotional programmes for Jagan.

"It appears that the president has a copy of the PPP thing I did for you.... I am sure that you are aware that I would hardly provide the bullet for the gun that would shoot me.... I think you must find the mole because there is one," the letter said in part.

Hoyte said that PPP-incited violence is currently going on and that his PNC party is instructing supporters not to respond. Blaming the PPP for stirring up racial violence related to widespread destruction here in the 1960's, Hoyte warned that racial politics in the lead-up to general elections could cause tensions in society.

Jagan, rejecting earlier charges by Hoyte as false, said if the PPP had wanted to incite violence, the country

would have suffered long ago and he accused the PNC of itself fuelling racism. Hoyte, reviewing political developments related to the recent congress of his party, observed that rumours of a rift between himself, prime minister and deputy party leader, Hamilton Green, and a possible leadership challenge were "scotched" by Green in a statement to the congress expressing support for Hoyte's leadership.

The prime minister, Hoyte said, has always pledged full support for the president and his support has never wavered. Hoyte dismissed claims, linked to the alleged rift, that the ruling party is seeking an Indian candidate or "running mate" to replace Green as prime minister. He accused Jagan, who has identified Afro-Guyanese political newcomer Sam Hinds as the candidate for prime minister under a PPP government, of "dreaming" up the idea of a running mate, which is not a requirement of the elections process here.

The Constitution provides for a president to be elected, who then names a prime minister and the cabinet. "I am not going to fall into that trap of appointing a running mate," Hoyte said.

Jagan: Socialism Party's 'Long-Term Goal'

FL0908124191 Bonaire Trans World Radio in English 1130 GMT 9 Aug 91

[Text] Guyanese opposition leader Cheddi Jagan says his party is not pressing socialism as part of its agenda for upcoming elections. He says the short-term goal of his People's Progressive Party is the establishment of a democratic system and that socialism is a long-term goal.

Mr. Jagan responded to charges by President Desmond Hoyte that he is inciting racism. Mr. Jagan says his party's congress this year produced resolutions aimed at reducing racial tension in Guyana.

Unions Expect Politics To Delay Wage Increase

FL0908141191 Bridgetown CANA in English 1247 GMT 9 Aug 91

[Text] Georgetown, Guyana, Aug 9, CANA—A Guyana union leader involved in public sector wage negotiations with government has said a promised pay rise will be delayed by political considerations and eroded by poor economic performance.

The economy performed poorly in the 1991 first half and is not expected to improve significantly in the second half, placing government in no position to grant a promised "substantial" pay increase, Guyana Agricultural and General Workers Union (GAWU) President Komal Chand told CANA Thursday.

Finance Ministry officials are to meet a 14-member labour delegation Friday to continue talks on union demands to increase public sector minimum wages from 64.65 dollars (one Guyana dollar = 0.80 U.S. cents) to 307 dollars per day.

"We are not optimistic that anything will come out of the meeting with the Ministry officials. This is because the government is dragging its feet on this issue and will not be in a position until probably the end of this quarter to say what increase they will give. That will be in keeping with the political agenda of the government to give an increase in the last quarter when the elections campaign will be at its highest pitch," Chand said. President Desmond Hoyte, who must call general elections by year end, in May promised an unspecified "substantial" increase in wages for public servants in the third quarter of this year.

Chand told CANA the Guyana Trades Union Congress (TUC), which has arranged the wages negotiations with government, is not "inflexible" on its 307 dollars. But he said the government has to make a specific offer before the TUC can contemplate adjusting its demand. The labour delegation to the talks with government is comprised of representatives of both the traditional TUC union umbrella body and the breakaway unions in the Federation of Independent Trade Unions in Guyana (FITUG), of which GAWU is a member.

Police Disclose Details of Arms Cache Discovery

FL1208112691 Bridgetown CANA in English 2159 GMT 10 Aug 91

[Text] Georgetown, Guyana, Aug 10, CANA—Guyana police say they have recovered the third cache of arms in recent weeks. The latest find announced this week consisted of nine firearms including an advanced Soviet-made Kalishnikov (AK-47) rapid fire rifle and one Sterling submachine carbine. Police Commissioner Laurie Lewis said that the weapons and 2,500 rounds of ammunition were uncovered at Helena, a large village about 20 miles from the capital, Georgetown. They also seized 60 ammunition and respirator pouches and silk cord which they say can be used to strangle people.

The police were led to another cache of arms at the same village early last month by two Canadian-based Guyanese who were arrested at the Timehri International Airport on their return home. The men were linked with an alleged plot to forcefully overthrow the Desmond Hoyte administration. One of the men, Maurice Fernandes has been granted Guy 20,000 dollars bail (one Guy dollar = 0.8 U.S. cents), while the other, Roy Nanhu has been remanded to prison.

Advanced UZI machine guns with ammunition were discovered in that cache. That discovery was preceded by another on Guyana's Corentyne coast near Suriname when Mahendranauth Guman, alias "Chicken Rohan" led police to another large cache of guns.

The coup plot, which included several senior police and Army officers, was uncovered along with advanced training plans, a camp, and arms. Several of the men have been captured and are on trial for treason, but Anand Sanasse, a young Army lieutenant, escaped from police headquarters on a weekend in October when he

was held for questioning. Sanassee, along with two others, are believed to have fled to Canada.

Gumani, who had a Guy 100,000 dollars bounty on his head flew in from Canada to surrender. He later escaped from police custody and returned days later to turn himself in again. He has since appeared in court on treason charges and has been refused bail and remanded to prison.

Suriname

Government, Illegal Armed Group Leaders To Talk

PY1008205491 Paramaribo Radio Suriname
International in English 1730 GMT 9 Aug 91

[Text] Leaders of two illegal armed groups will come to Paramaribo tomorrow to hold fierce discussions with the government.

Jungle Commando leader Ronnie Brunswijk and leader of the Tucayana Amazon [Commander] Thomas will be included in the delegations of the organization which are holding discussions with government representatives for a week now.

The delegations have in the past week twice met with President Johan Kraag who invited the leaders of the rebel groups to come to Paramaribo.

The representatives of the Mandela and Angola Movements are also taking part in the discussions in the framework of peace. It is expected that the negotiations in the coming weekend will give an important impulse to the rounding off of the process of national reconciliation.

New Front Candidate Discusses Drug Issue

PY0108181591 Paramaribo Radio Suriname
International in English 1700 GMT 31 Jul 91

[Text] New Front presidential candidate Ronald Venetiaan does not exclude military intervention from foreign powers if the problem of drug trade cannot be treated in other ways. Venetiaan is of the opinion that Suriname needs a helping hand in the area of equipment, finances, and manpower to fight the drug trade. He rather thinks that reports published in Holland recently about the last (?involvement) of the army in the drug trade are not concrete enough. If foreign countries have proof of this they should lay these proofs on the table, said the presidential candidate of the New Front. Venetiaan said that the option of military intervention should be seriously considered as Suriname is unable to solve the drug problem. He however acknowledges that military intervention will carry extra damage and that he regrets this. The opinion of the New Front presidential candidate is contrary to the statements made by the leaders of this combination during the last election campaign. The Front leaders had categorically rejected foreign intervention in Suriname.